

The NATIONAL UNDERWRITER

Life Insurance Edition

What is a Girl?

Reprinted from one of our Company mailing pieces, this description of little girlhood is a sister to the original "What is a Boy?" Both essays were written by Alan Beck, editor of our magazine for fieldmen (The Pilot's LOG).



LITTLE GIRLS are the nicest things that happen to people. They are born with a little bit of angel-shine about them and though it wears thin sometimes, there is always enough left to lasso your heart — even when they are sitting in the mud, or crying temperamental tears, or parading up the street in mother's best clothes.

A little girl can be sweeter (and badder) oftener than anyone else in the world. She can jitter around, and stomp, and make funny noises that frazzle your nerves, yet just when you open your mouth, she stands there demure with that special look in her eyes. A girl is Innocence playing in the mud, Beauty standing on its head, and Motherhood dragging a doll by the foot.

Girls are available in five colors — black, white, red, yellow, or brown, yet Mother Nature always manages to select your favorite color when you place your order. They disprove the

law of supply and demand — there are millions of little girls, but each is as precious as rubies.

God borrows from many creatures to make a little girl. He uses the song of a bird, the squeal of a pig, the stubbornness of a mule, the antics of a monkey, the spryness of a grasshopper, the curiosity of a cat, the speed of a gazelle, the slyness of a fox, the softness of a kitten, and to top it all off He adds the mysterious mind of a woman.

A little girl likes new shoes, party dresses, small animals, first grade, noise makers, the girl next door, dolls, make-believe, dancing lessons, ice cream, kitchens, coloring books, make-up, cans of water, going visiting, tea parties, and one boy. She doesn't care so much for visitors, boys in general, large dogs, hand-me-downs, straight chairs, vegetables, snow suits, or staying in the front yard. She is loudest when you are

thinking, the prettiest when she has provoked you, the busiest at bedtime, the quietest when you want to show her off, and the most flirtatious when she absolutely must not get the best of you again.

Who else can cause you more grief, joy, irritation, satisfaction, embarrassment, and genuine delight than this combination of Eve, Salome, and Florence Nightingale? She can muss up your home, your hair, and your dignity — spend your money, your time, and your temper — then just when your patience is ready to crack, her sunshine peeks through and you've lost again.

Yes, she is a nerve-racking nuisance, just a noisy bundle of mischief. But when your dreams tumble down and the world is a mess — when it seems you are pretty much of a fool after all — she can make you a king when she climbs on your knee and whispers, "I love you best of all!"

The NEW ENGLAND MUTUAL

Life Insurance Company of Boston

FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA—1835

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FRIDAY, FEBRUARY 9, 1951



This month The Mutual Life re-enters Texas with the opening of new agency offices in Dallas, Fort Worth, Houston, and San Antonio. Texas was the only state in which we had not operated in recent years. The opening of these new offices is another step in the Company's current program to extend its services. Nineteen new Mutual Life Agencies have been opened throughout the United States and Canada in the past three years. The new offices in Texas will provide on-the-spot facilities for the public and for 8,000 Texans who still hold \$20,000,000 in Mutual Life insurance.

Texas has experienced a population increase of 16 per cent in the past 30 years. And the incomes of its citizens have risen even faster—almost 40 per cent between 1929 and 1949. An increasing population—with a higher income level—means that life insurance needs are also expanding. Our Field Underwriters will find a stimulant to selling in the fast-moving economic vigor of the state.

Our 2nd Century of Service

THE MUTUAL LIFE

INSURANCE COMPANY of NEW YORK

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Investment Law Changes Vital to Company Progress

**Lay Out 1951 Program
for Revisions to Increase
Return on Growing Assets**

By **DONALD J. REAP**

NEW YORK—Life companies want the New York insurance law amended to provide liberalized investment opportunities and higher yields so that they can keep pace with the changing national social and economic outlook, Donald B. Woodward, 2nd vice-president in charge of research for Mutual Life, advised the joint legislative committee on insurance rates and regulation at a hearing called to explore a variety of suggested revisions to the current statutes.

Mr. Woodward's talk laid the foundation for testimony to follow at the Feb. 9 hearing substantiating the requests for specific statutory amendments.

He described the magnitude of life insurance savings and their importance to the public in the form of security and as a deterrent to inflation. Of equal significance is the transformation of these savings into national productive capacity vital to our military strength, he declared.

Investment "Squeeze" Is On

In performing their responsibility of selling economic security, their funds have grown faster than the traditional instruments in which their assets can be invested, he said. The amount of available long term corporate debt available to life insurance investments has shrunk considerably and the "squeeze" will become marked and painful during coming years unless relief is provided, he warned.

There has been an abrupt and drastic decline in the yield on life insurance assets, which has increased the cost of life insurance, he asserted. The slight upturn in yield in the last few years results essentially from the conversion of government bonds bought during second world war into higher yielding assets but since this operation is nearly over the effect will not continue very long, since interest rates have not risen appreciably and show no sign of rising.

Mr. Woodward supplemented his talk with a series of film slides in technicolor bearing statistical charts supporting the points in his talk.

Most Companies Affected

By way of showing the influence of the New York law on companies nationwide, he explained that the 23 companies in New York account for 38% of the total assets of all life companies in the state and that other companies licensed there account for an additional 47%, putting 85% of the invested assets of American life companies under the influence of the New York law.

N. Y. COMPANIES LAG?

By inference he suggested in one of his charts that the investment law was partially responsible for New York

(CONTINUED ON PAGE 20)

Notable 1950 Gains Shown in Company Statements

BANKERS LIFE OF IOWA

New business put on by Bankers Life of Iowa during 1950 totaled \$204,088,807, exceeding the sales for 1949 by \$50,662,926. Group insurance accounted for \$46,835,306 of this increase and ordinary for \$3,827,620. Total ordinary sales amounted to \$119,125,082 and group sales to \$84,963,725. Insurance in force totaled \$1,559,640,929, of which \$1,254,803,905 was ordinary. Ordinary insurance in force increased by \$49,068,341 and group by \$68,062,470. There was more than \$40 million paid out in benefits or dividends to policyowners and beneficiaries. Reserves were brought to \$478,500,000. Assets passed the \$534 million mark, an increase of more than \$39 million for the year.

COLUMBIAN NATIONAL

Columbian National Life in 1950 produced more than \$51,800,000 new life insurance. Ordinary was up 12%. Insurance in force was \$357,130,992, a gain of \$23,370,000. Total A. & H. collections were \$596,000, an increase of 8%.

FEDERAL LIFE OF CHICAGO

Insurance in force of Federal Life of Chicago increased \$7,955,223 to a total of \$136,026,628. Assets reached \$31,332,311. The net interest yield on total invested assets increased from 3.24% in 1949 to 3.29% in 1950. Surplus was increased to \$2,066,943, in addition to the application of \$183,462 for the retirement of capital stock shares under the mutualization plan and the payment of interest on outstanding shares. A. & H. premiums during 1950 amounted to \$2,794,270, while life department premiums amounted to \$3,371,215. Policyholders and beneficiaries were paid \$1,925,160 in the life department and \$1,672,265 A. & H.

GREAT-WEST LIFE

Total business in force reached \$1,671,000,000 at the end of the Great-West Life's most successful year. Record new business of \$259,000,000 was placed during the year and assets grew \$27 million to \$385,000,000. During 1950 more than \$28 million was distributed in benefits to policyholders and beneficiaries. There was \$23 million added to reserves. New group business of \$88 million was at an all-time high. Group business in force is now \$349 million.

LIFE OF VIRGINIA

Insurance in force of Life of Virginia increased to \$1,277,817,912. The largest increase in assets in history brought the total to \$257,315,328. Capital stock, surplus and contingency reserves were reported at \$28,742,759. Payments to policyholders and beneficiaries during 1950 amounted to more than \$13 million, including payments to beneficiaries of 49 servicemen killed in Korea.

MASSACHUSETTS MUTUAL

Massachusetts Mutual's record production increased ordinary insurance in force to \$3,020,000,000, which, with \$141,000,000 of group in force brought the Dec. 31 total to \$3,162,000,000. The ordinary department produced 41,747 new policies for \$294,952,158 and also 1,780 individual annuities providing annual incomes of \$896,609. Group life, totaling \$52,915,741, representing 165 policyholders covering 33,874 certificate holders was sold. New group annuities and various forms of A. & H. were written with an estimated annual premium of \$2,697,467. Total life insurance in both departments was \$347,867,899,

up 21%. Earnings added \$4,150,000 to general surplus and \$3½ million to the security fluctuation fund. General surplus is \$72.6 million and the security fluctuation fund \$10 million. Assets rose \$82 million to reach \$1,395,000,000. The greatest increase was in mortgage loans, now standing at \$262 million.

MONARCH LIFE, MASS.

Monarch Life new paid-for life insurance was \$44,914,061, an increase in volume over last year of 40.1%. Quarterly premiums on new A. & H. paid-for totaled \$649,630, a volume of 13.9% greater than in 1949. Life insurance in force reached \$161,651,129, a 22.9% increase. A. & H. premiums in force on a quarterly basis amounted to \$2,534,379, a 10.4% increase. Payments to policyholders and beneficiaries in the life division amounted to \$894,761 and in the A. & H. division to \$4,634,678. Assets increased by 14% to \$29,248,546. The net interest rate earned increased from 2.64% in 1949 to 2.76% in 1950.

MUTUAL BENEFIT LIFE

Assets of Mutual Benefit Life were \$1,299,447,693, a gain of \$61,096,337 over 1949. The interest rate earned increased from 3.12% in 1949 to 3.17% last year. Surplus increased \$3,115,608 to a total of \$41,091,882, a gain of 8%, compared with an increase of 5% in liabilities. Insurance in force totaled \$2,956,067,256, as against \$2,818,521,202 at the beginning of the year. Income from premiums paid by policyholders was \$103,926,275, an increase of \$4,590,229 over 1949. Policyholders and beneficiaries received payments of \$69,122,115. This included 15 claims, totaling \$64,000, due to deaths in the Korean war.

NORTHWESTERN MUTUAL

Northwestern Mutual during 1950 paid for new insurance of \$455 million for a record average face amount of \$6,729 per policy. Total insurance in force rose to more than \$6,300,000,000 on more than 1,400,000 policies. Income for the year was \$365,600,000, about 63% from premiums, 24% from investments and 13% from other sources. A record amount of \$182 million of benefits paid covered death and endowment proceeds, dividends, etc. A sum of \$137,600,000 was credited to policy and other legal reserves and \$8,800,000 was credited to contingency reserves. Total contingency reserves are now \$167,500,000. Assets stood at \$2,600,000,000.

The dividend scale has been continued from 1951 and the estimated amount of dividends payable is \$39,400,000. The net income earned on investments averaged 3.15% during 1950 compared with 3.13% for 1949. Total federal, state and local taxes of the company for 1950 were nearly \$7 million and represented one-half of the increase in the 1950 cost of doing business.

OHIO NATIONAL

New paid-for business for Ohio National Life set a record of \$72,194,000. (CONTINUED ON PAGE 11)

Rail Strike Delays News

The national strike of railroad switchmen is responsible for any delay in reaching you of this copy of *The National Underwriter* and of the issue published a week ago. Publications other than daily newspapers were in many instances not moved at all through the mails, because they are routed on the railroads.

Seek Higher N. Y. Limits on Juvenile, Weekly Premium

**Inflation Cited as Reason
for Change; Department
Against Industrial Increase**

NEW YORK — Inflation has made necessary an upward revision of juvenile limits and an increase from \$1,000 to at least \$1,500 on the maximum amount of insurance which can be written on a weekly premium basis, the New York state joint legislative committee on insurance rates and regulation was told at its hearing by company and agent spokesmen.

The insurance department endorsed the request for the juvenile increase but opposed the change in the weekly premium maximum sought by combination companies, Superintendent Bohlinger stating that above \$1,000 he would prefer to see companies add to the emphasis they have been placing in recent years on less expensive monthly premium and ordinary forms.

Senator Condon of Yonkers, committee chairman, presided at the meeting. With him were Senators Friedman, Brooklyn, McCullough of Westchester, and Assemblymen MacKenzie of Albany, and Rabin, Queens. Paul L. Bleakley of Yonkers is committee counsel.

Much of the audience was comprised of witnesses from company investment departments. They fretted and stewed through most of the day, the investment revisions only coming before the committee via a stage setting discussion by one witness. The meeting was held in the city hall and this was probably the first time that Republicans have outnumbered Democrats in that building for many years.

Current Juvenile Limits

The New York law now limits juvenile to \$100 below six months of age, graduated to \$1,500 up to age 14½ with a second provision allowing up to \$5,000 or one-fourth of the amount of insurance in force on the life of the person insuring the child's life from ages 4½ to 9½. A third provision limits insurance from ages 9½ to 14½ to 50% of the amount on the life of the person effectuating the insurance.

The \$1,000 weekly premium limit also controls juvenile and since the testimony and interrogation frequently lumped together questions involving both sections of the law, complexity frequently pervaded the hearing. Some of the testimony supported both revisions.

The committee was asked to increase slightly, moderately, greatly or to remove altogether the juvenile limit. Spokesmen said they did not believe that the statutory limitations were necessary, arguing that no other state in the union has them and that those which have had them removed them some years ago. Canada last year did away with the limitations above age 5 and liberalized amounts permitted at earlier ages.

Since the limits were placed upon juvenile, inflation has greatly increased the cost of burial of children as well as the medical, hospital, surgical and

(CONTINUED ON PAGE 19)

Figures from Companies' Year-End Statements Shown

	Total Assets	Increase in Assets	Surplus to Policyholders	New Bus. 1950	Ins. in Force Dec. 31, 1950	Increase in Ins. in Force	Prem. Income 1950	Benefits Paid 1950	Total Disburs. 1950
American General	14,678,154	2,061,618	1,398,484	21,832,238	115,919,703	12,188,565	2,833,108	523,636	1,725,278
Bankers Life, Ia.	534,067,688	39,538,319	32,051,110	204,088,807	1,559,640,929	117,130,811	57,786,190	29,578,693*	49,501,217
Bankers National Life	33,213,707	3,479,020	2,335,357	24,722,030	172,893,610	11,558,829	5,289,301	2,041,893	4,280,125
Connecticut General	842,856,562	83,760,422	65,835,308	565,137,454	3,591,450,991	409,949,401	127,751,404	61,366,215	93,504,652
Farmers Life, Ia.	5,484,608	596,215	578,116	4,985,339	32,180,484	1,066,037	979,836	245,519	618,684
Guardian Life	298,399,549	18,601,501	19,858,519	106,548,439	898,831,544	66,684,252	26,908,402	14,082,845	26,764,681
Jefferson National	7,230,751	1,005,776	1,470,858	12,950,961	65,823,419	8,336,442	2,293,207	706,490	1,687,526
London Life, Canada	345,262,470	27,351,730	24,656,988	264,101,733†	1,979,361,058	201,863,816	45,017,434	21,828,524	42,232,283
Midwestern United	1,541,994	460,824	874,387	13,025,341	23,593,813	10,546,648	717,994	78,344	670,603
Monarch Life, Mass.	29,248,546	3,586,738	4,181,658‡	46,296,857	161,651,129	30,078,119	3,683,558	894,761	11,492,766
Ohio State Life	55,654,360	4,530,472	5,684,454	23,498,400	219,902,657	11,128,046	6,594,675	2,767,902	5,450,901
Old Line Life	41,800,044	2,144,552	2,303,889	15,293,072	138,990,462	7,752,776	5,041,437	2,736,655	5,040,136
Penn. Mutual	1,299,606,607	58,940,983	72,859,401	285,127,397	2,920,506,809	149,875,540	85,680,374	66,007,595	108,769,828
So. Farm Bureau, Miss.	2,123,359	700,377	415,332	16,619,975	50,211,958	11,641,698	1,152,062	157,615	598,117
Southwestern Life	223,090,136	22,957,214	20,952,646	115,186,624	829,222,242	67,578,223	30,591,027	10,299,557	21,153,044
Superior Life	3,323,251	204,727	1,422,065	27,679,846	2,671,638	31,638,481	2,564,496	845,231	2,515,581
Volunteer State Life	46,459,353	2,362,512	3,603,893	25,923,633	170,700,053	16,098,530	4,256,544	2,641,995	4,492,324

*Does not include \$8,895,725 paid from funds previously left with company. †Excludes revivals and increases. ‡Does not include capital or special reserves.

Benefits for Reservists Exceed Those Provided Regular Army, Air Force

Agents who have clients who are army or air force reserves who have been called to active duty will have to brush up on their knowledge of the benefits to which their clients' widows may be entitled if they are killed while on duty in Korea. A legal anomaly uncovered by the Air Reserve Assn. shows that the widow of a regular air force captain on flying status is eligible for a pension of \$60 a month (\$75 monthly if her husband dies in Korea where there is contact with the enemy) but that the widow of a reserve officer would draw approximately \$300 a month. The discrepancy will not be cleared up unless new legislation is passed by this session of Congress or by the redesignation of the police action in Korea as a war.

If the Korean action is designated a war it will serve to reduce the benefits of the widows of reserve officers to the same status as the regulars. The variation in the protection arises from the coverage of army and air force reservists, except in time of war, under the federal employees compensation act which had no application to regular army or air force officers. The law has been in effect since 1934.

Other Peculiarities of Law

Among the other peculiarities in the law is one under which a widow of a regular air force pilot would receive higher benefits if her husband were killed in a plane crash in Korea rather than in Japan. If the crash did not occur until he returned to his home base in Japan his widow would receive the lower benefit.

According to Lt. Col. S. F. Tillman, a reserve officer who conducts a column in the monthly news bulletin of the Air Reserve Assn., there are hundreds of air force reservists' widows throughout the country who have no idea of their pension rights under the law. He has written a book entitled "Pension & Retirement Benefits" for the guidance of all service personnel.

The book has already sold thousands of copies and is in its fourth edition. It may be obtained for \$1 from the Air Reserve Assn. at 1101 Vermont avenue, N.W., Washington, D. C., and the Reserve Officers Assn. at 2517 Connecticut avenue, N.W., Washington.

Must Give Adequate Notice of Aviation Clause

The U. S. court of appeals, second circuit, has reversed the federal court at New York City and held that an air force officer who applied for creditor group insurance without being informed of an aviation exclusion clause in the master contract was not put on adequate notice as to the exclusion even though the certificate finally delivered to him contained the aviation limitation. The case is Broidy vs. State Mutual Life and is reported in 14 CCH (Life) 732.

The appeals court emphasized that the

insured, although in air force uniform, was not informed about the limitation and the application contained no reference to the aviation exclusion, nor did it suggest ways in which definite knowledge should be obtained. The court held that "it would be too harsh a requirement to hold that the insurance company's acceptance of the offer which it had directed and canalized in its own type of application should be limited and be made nugatory by the insertion of details not brought home to the applicant."

The insured, Lieut.-Col. V. E. Broidy was killed in line of duty in an army air show Aug. 21, 1948.

William B. Stannard, vice-president of Occidental Life, has been appointed a member of the company's managing and agency committees.

Charles E. Angell, former instructor in the Southern Methodist University course, has resigned from the Kansas City life agency at Wichita to study for the Presbyterian ministry.

Up Life Companies' Tax \$100 Million: Snyder

WASHINGTON — Under questioning by members of the House ways and means committee, Treasury Secretary Snyder indicated that he wants to tax the life companies about \$100 million a year more than they are now paying.

Under the stop-gap measure the companies are expected to pay about \$70 million this year.

Northwestern Mutual has named Frazier D. MacIver, executive vice-president of Phoenix Hosiery Co., to the finance committee, and Harold S. Falk, president of the Falk Corp., to the executive committee. Both are from Milwaukee and trustees of Northwestern Mutual.

General agents of the Old Line Life held a one-day conference with company officials.

TO REACH POLICYHOLDERS

Home Life Puts on All-Out Campaign to Fight Inflation

NEW YORK—Home Life of New York is putting on an aggressive campaign to carry the anti-inflation message to the public, through its field force and through correspondence.

The company hopes that other life companies and savings institutions will be encouraged by its example to institute similar programs.

Home Life announced its campaign at meetings at the home office and in its agencies.

President W. J. Cameron believes that once a foundation of awareness of the problem has been built, within a short time there will develop a ground swell of public opinion determined to check inflation—"determined to support those in government who are trying to do the same."

The company's platform is along the lines of that of the Institute of Life Insurance.

Firm Measures Needed

Its letter to policyholders advises that firm measures on the government's part are needed at once, that the problem is a nonpartisan one, and that unless the country is successful in beating inflation future purchasing power of savings will be greatly depleted.

Other steps in the company's program include a message on inflation to be included in the company's annual statement to policyholders, a letter from the president to all field and home office personnel further explaining the need and objectives of the effort and urging personal action on the institute's program; furnishing of each agent with institute literature and a procedure for using it at an opportune time in all client interviews and further visual presentation aids as prepared by the company for the use of agents during client contact.

Johnson Praises Program

Holgar Johnson, president of the institute, who was present at the initial conference at which Mr. Cameron made his announcement, complimented Home Life for taking the leadership in the drive and said that the only way to lick inflation is to do just as the company is doing, working at the local level.

He echoed Mr. Cameron's sentiments in urging that one of the most important steps in the program is for everyone to write to his congressman and other elected representatives in support of effective action to check inflation. The government, it was added, "has a right to know how American savers feel about this vital non-partisan problem."

In asking their agents to urge policyholders and even prospective policyholders to write to their representatives in Washington and state capitals as well, Home Life is blazing a new trail in life insurance. William P. Worthington, executive vice-president, admitted that this is somewhat a bold step and said that agents must use their own discretion in not crossing the line of good taste.

St. Louis Banks Push Insured Savings Plan

Several leading St. Louis banks are pushing the opening of savings accounts in conjunction with a group life insurance.

No physical examination is required, only a statement of good health. The banks emphasize that there is no cost to the depositor for the insurance protection. Under the arrangement deposits are made for 50 months. In the event of a depositor's death the insurance will pay the difference between total deposits and the savings goal that had been set.



TOP-FLIGHT Career Men!




HASKINS

KOPROVSKI

Commonwealth is indeed proud to pay tribute to these two national leaders in the ordinary department, and also to recognize the many other Commonwealth Career Men who turned in such a splendid performance in 1950.

James F. Haskins, Sr., Commonwealth Career Man in the West Tennessee Branch, was awarded the Director of Agencies Trophy for the greatest volume of paid business for the year, 1950. Jimmie Haskins has been a Commonwealth Career Man for the past 19 years.

John T. Koprovski, Commonwealth Career Man in the Cincinnati Branch, won the Supervisor of Agencies Trophy. This award is made each year to the career man who pays for the greatest volume of net-new business during his first contract year.

INSURANCE IN FORCE January 1, 1951 — \$483,455,995



COMMONWEALTH Life Insurance Company

HOME OFFICE • LOUISVILLE, KY.

Conference Group Meeting Has Double 1950 Attendance

Registration for the group committee meeting at Chicago of Health & Accident Underwriters Conference this week totaled 220, as compared with 125 last year, and the figures bear out the increasing interest the companies are taking in this business. At the same time, a good deal of the subject matter was at best purely academic, at least for the time being, since the government wage freeze order has put a stop to the further writing of group business to which the employer makes a contribution.

The Tuesday session, entitled "Group Insurance in 1951," dealt with state cash sickness laws, legislation, hospital and surgical, state medical society plans, and claims. George H. Hipp, Employers Mutual Liability, and chairman of the group committee, was in general charge, and was assisted by T. H. Kirkpatrick, Paul Revere Life, and J. E. Hellgren, Lumbermens Mutual Casualty, as panel chairmen.

The meeting led off with a panel on state cash sickness laws with Mr. Kirkpatrick moderating and discussing the California situation. William J. Huggan, Progressive Life, discussed the New Jersey law, and J. W. Noel, Lumbermens Mutual Casualty, handled New York.

New Jersey Results

Giving the viewpoint of a small company, Mr. Huggan said Progressive Life started in the group business by participating in the New Jersey plan, and was able after the first year to give a 6% dividend. Another dividend is contemplated for this year. He urged that as many companies as possible write this type of business, stating that by so doing they will strengthen the industry contention that everything possible is being done to insure the public on a voluntary basis.

Mr. Huggan predicted that the present \$26 benefit in New Jersey will be increased this year, probably to \$28 or \$30. If this is done, he added, the chances are that proposed additions of hospital benefits will be bypassed.

In California the favorable experience of the companies and the state fund has aggravated the political problem of progressive benefit increases, Mr. Kirkpatrick said.

He mentioned that the small employer has many problems under a cash sickness law, the principal one being that he does not have people who can interpret the state regulations. According to a survey made by the state, about one-half of the small employers in California are having trouble with the law, many are in technical violation and have had approval of their plans withdrawn. The future of UCD as regards small risks is not too bright, Mr. Kirkpatrick declared. As benefits increase, it is only by economical and careful handling that the insurers can avoid being squeezed out.

Praises N. Y. Accomplishment

The companies did an excellent job in New York, Mr. Noel said in his remarks. The state fund wrote \$3 million in annual premiums out of an estimated \$80 million available. Even considering that there was considerable business already on the private companies' books, and only \$35 to \$40 million of new business was to be had, the state got less than 10%.

Among the changes expected or being considered are those to require private plans to be more favorable than the state's; consent of employees to private plans; 26 weeks' benefit instead of 13 plus 13 weeks maternity benefits; reduction in minimum group from 4 to 1, and entire contribution by the employer. However, Mr. Noel said he expects the first change will be to add hospital and surgical benefits.

The future of cash sickness, Mr. Kirk-

patrick said in his summary, is temporarily good for the companies. Of the 17 states having such bills this year, none is expected to pass. The trend in new legislation introduced is more favorable to the companies. And the companies, with experience under three state laws are better able to detect the bad points of new bills quickly and present their case to the public and the legislators. However, Mr. Kirkpatrick observed, if the energy the companies have expended on cash sickness had been put into getting regular business there would be more to show for it and fewer headaches.

R. C. Knoblock, Washington National, discussing loss of time coverage, said there is a trend to include occupational as well as non-occupational in group policies. The idea is to cover the lag in workmen's compensation where benefits do not begin before the 10th to the 14th day.

Rates Down 15%

Group A. & H. rates are about 15% lower than they were a year ago, he said, attributing this to the result of TDB in New Jersey and to the competitive situation.

Absence of maternity benefits in New Jersey, plus lower acquisition costs, allowed the companies to write 15% off manual under the TDB law, he pointed out. However, the practice has spread to other sections where this reasoning does not hold.

Maximum disability periods are increasing and 26 weeks benefits are becoming the general rule. This is considerably motivated by the labor unions, he said. The unions think of loss of time from a catastrophic viewpoint. Some plans now call for 52 weeks, and

Mr. Knoblock said this appears to be the union goal. He mentioned that benefits extending to 26 or 52 weeks promote malingering. Too wide an application of these plans could affect the companies adversely.

Bill Howland, Mutual Benefit H. & A., recommended that the companies put war clauses in all new A. & H. policies, and insert them in existing policies when the business is re-written or new certificates are issued. He said public reaction probably would not be unfavorable. The war clause is in general use for accidental death and dismemberment and is widely accepted.

W. S. Collins, Union Labor Life, speaking on "Union Developments," noted that more non-contributory contracts are being written. There is a tendency to continue benefits as long as possible and to cover during unemployment and after retirement. Unions are asking for occupational coverage to augment workmen's compensation benefits. These demands are not unreasonable, he said, but they put a heavier burden on the private companies.

Eliminating Personal A. & H. Sales

The terrific sale of group, he declared, is eliminating the personal sale of A. & H. The market is so extensive that there is no need of prospecting. Many "consultants" have come onto the scene, and Mr. Collins maintained that a number of these consultants are not selling. The contact between the insured and the company is being lost. The company's job is turning into that of bidding on specifications submitted by a broker, or "data gatherer."

The afternoon program was devoted to hospital and surgical covers, with J. E. Hellgren, Lumbermens Mutual Casualty, presiding. F. A. Egger, Washington National, discussing claim experience, observed that in considering whether 5 or 10 times daily benefits is enough for special fees, the area in which the business is sold should be taken into

(CONTINUED ON PAGE 11)

Recruiting Picture Described as More Hopeful

Older Men's Success Offsets Concern at Scarcity of Younger Ones

The current opinion of the heads of many large agencies is that the future recruiting picture is not so dark as it has recently been painted. The view is being generally expressed that although defense needs will mean that new agents will have to be sought from the older age brackets, men in this category are most desirable anyhow.

Many managers believe that there is excellent material available in the wide age bracket from 26 to 56.

Most agree that younger men are not sufficiently stable and are too busy with domestic affairs to be able to settle down properly to their work of selling. Older men, on the other hand, not only are well established in their community and generally have good contacts but also present less of a problem of financing.

One manager reports that of 12 men hired in January, eight were over 35 years old. One, and apparently the most promising of the whole group, is 55.

Some Will Hire No Younger Men

While a number of general agents go so far as to say that they will not hire younger men regardless, others say that it should be a matter of individual selection, and the only objection to younger men is the likelihood of their being called into the armed services.

With a few exceptions, managers say that defense industries have not been seriously in competition with them for manpower. Veteran managers take the point of view that if life insurance cannot compete with other businesses for personnel, then there is something wrong with the former.

Good agent material, it is pointed out, can come from a variety of backgrounds, particularly the selling field as a whole and from the teaching profession in particular. Most managers emphasize, however, that men who were former agents are the worst possible manpower prospects. It is contended that if they couldn't make a go of life insurance once, why could they do it a second time?

Agency Builder



President Peter M. Fraser of Connecticut Mutual, left, presents Melzar C. Jones, Los Angeles general agent, with the 1950 president's organization trophy at the general agents' conference in Hollywood, Fla. This award is given each year to the agency with the best record in organization development.

Main Street

Harrison L. Amber, President of the Berkshire Life, writes in that company's centennial history:

"The past 100 years is the only foundation on which we have to build for the next 100 . . . Both quantitatively and qualitatively our growth and expansion could only be possible because of alert, loyal and conscientious agents. I am sure that they are proud on this occasion to realize what security they have brought to thousands of individuals, families and business enterprises . . . On this centennial we rejoice in our part, however small, in the role we have played in making the American system work. We can be convinced with evidence so bountiful throughout the world that political freedom goes hand in hand with economic freedom. And we can be convinced, too, that political freedom has a better chance of surviving when trade and business is managed on Main Street rather than on Pennsylvania Avenue . . .

"Life insurance is a highly competitive business and out of it has come the largest reservoir of savings in the world . . . Hardly a person in the nation who is not touched at some time with the benefits of life insurance. It is a Main Street institution."

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA

Wage Board Officials Reported Reluctant to Give Fringe Benefits Special Status

By HENRY HALLAM

WASHINGTON — Wage stabilization board officials are reported hesitant to treat retirement benefits differently from wages in their efforts to work out a general stabilization policy. These officials are reported "dragging their feet" on proposals of life insurance industry representatives concerning what they regard as the best method of dealing with pensions and retirement benefits. The life industry, which has asked for special treatment of such matters, did not see any encouragement this week of their efforts.

While it has been contended before the wage board that employers' payments for fringe benefits, such as pensions, group life, etc., are generally non-inflationary in character, it has been pointed out, on the other hand, that an employer whose prices are frozen, may be subject to squeeze as a result of his payment of fringe benefits, as he would be in paying wage increases.

Life industry representatives recently conferred with Labor department officials over problems involving the mobility of labor. Discussed among other things was what to do about employees under pension plans and the like and

their possible transfer from non-essential to essential industries.

Under manpower controls, such transfers could be ordered or encouraged. But life representatives say older employees would not want to give up their benefits or seniority under old employment. They say further pension plans are tailor-made to fit a particular employer and group of employees, and that it would be very difficult, if not impossible, to work out a system whereby employees' benefits would follow them from one job to another, involving as it would problems of tax exemption of employers' contributions.

FRAMING NEW REQUESTS

NEW YORK — While agencies and home offices alike commenced applying their own interpretations to the fringe benefits freeze, the special subcommittee of the Life Insurance Assn. of America and American Life Convention was meeting in almost continuous session for the purpose of framing new requests to the wage stabilization board.

The newly-created subcommittee of the over-all war problems committee, and which is headed by C. Manton Eddy, vice-president and secretary of

Connecticut General Life, reported that its next memorandum to Washington will deal with the technicalities involved in segregating welfare benefits and wages, from a freeze standpoint. The committee is endeavoring, as rapidly as possible, to advise the federal agency what are the tests that should be applied to differentiation between the straight cash pay and fringe benefits.

Industry Has Moved Fast

Although somewhat reticent about discussing its next strategic move for fear of making a bad impression in Washington, the committee pointed out that the insurance business as a whole has probably never acted as fast as it is acting now in the face of crisis.

Unfortunately, the committee's attitude was not in every instance mirrored by all of the men who are writing group insurance and group annuities.

One agent, who does a very large business in the fringe field, was bitter toward what he termed the "competitive, disorganized" policy of his own company. Not only, he charged, does his home office have difficulty in taking a stand on the matter but its officers, he further claimed, are arguing among themselves.

Sees Early Solution

If the life business, he added, does not entwine itself in too many rules, there is no reason that all the problems of providing group protection against old age cannot be worked out, freeze orders or no. He voiced a firm conviction that the matter would speedily be solved—that, after all, it had to be, lest there be a "revolution" in the insurance and labor field.

As witness this agent's example, there is discord in the ranks, but there seems majority agreement on these general points:

1. There will be a clarification from Washington within 30 days, alleviating the present blanket freeze.
2. No new business will be discouraged, either by agencies or underwriters in the home offices. Applications will be accepted and processed, and held in readiness to validate when and if the green light comes through.
3. Although labor, as always, is a little starry-eyed at the prospect of getting direct wages unfrozen, it nevertheless has evidenced that it does not want to do this if it must, now and forever afterward, throw all fringe benefits overboard.

EMPLOYERS' ROLE

Many executives in the general group field believe that employers, in reality, should be spearheading the attack on unfreezing fringe benefits. It is really the employers' responsibility, they point out, to decide on what sort of benefits they want, and whether they want them badly enough to fight for them.

In a way, according to an interpretation by some sources, it is hardly up to an insurance company to refuse such benefits. A company is neither a government policing agency nor a policy-maker, but merely a "supplier."

In other words, these spokesmen question whether life insurance should be taking the lead in demanding revision and clarification before the wage stabilization board.

The feeling of optimism as to the future of fringe benefits springs from various bases:

It is one of the most clear-cut non-inflationary types of rewards that can be given a worker.

Group Is Only Way

Group represents the best and highest type benefits an employee can have. Practically speaking, only through group can the average worker build up his insurance estate.

Group insurance represents a real blessing. It occupies a separate compartment from all other benefits.

It is a benefit to his family rather than to the worker alone.

It is the opinion of some that labor

Governor Signs Ia. Premium Tax Liberalization Bill

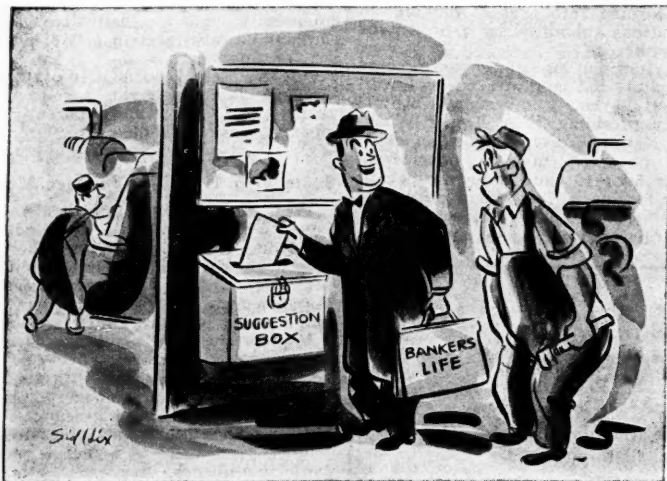
DES MOINES — Gov. Beardsley signed a bill which will permit Iowa life companies to write pension and profit-sharing plans without paying the state's 2% premium tax. The bill was intended to enable the Iowa companies to compete with eastern companies.

A bill to liberalize investment laws for life companies has gone to the governor. It would permit them to invest in mortgages in territorial possessions of the U. S., permit loans on leasehold estates in real property and include securities issued under the Bankhead-Jones farm tenant act.

The house insurance committee reported out for passage a qualification and licensing bill for life agents only and another which would include all agents.

A bill has been introduced in the house to increase the non-medical limit for fraternal insurance to \$5,000. The present law permits non-medical on fraternal up to \$2,000.

At its annual managers' conference, Home Life of Philadelphia named Nicholas F. Bruno, manager at West Chester, Pa., "Man of the Year."



"Mind if I drop one in? I think your boss needs to revise his own and your company's group insurance program!"

Bankerslifemen Know How to Make Effective Suggestions

Presenting valuable insurance program suggestions is daily practice for Bankerslifemen, though we must admit we have not heard of any of them using suggestion boxes for this.

They do have attractive and well-organized proposal material, which they know how to use effectively, to make their suggestions completely clear to their prospects. With the Bankers Life plans which they have available, they can make proposals exactly suited to the prospects' needs. This is a successful combination of tools for the Bankerslifeman thoroughly trained in their use.

The clarity and soundness of their recommendations earns respect for Bankerslifemen, helps to make them the kind of life underwriters you like to know as friends, fellow workers, or competitors.

BANKERS Life COMPANY
DES MOINES

HEARS FROM CHING

Charles D. Spencer, editor of the Employee Benefit Plan Review of Chicago, has received a letter from Chairman Cyrus S. Ching of the wage stabilization board in answer to inquiries addressed to Eric Johnston, director of economic mobilization.

The letter states in part: "As you know, the existing temporary wage freeze regulation prohibits all changes in wages and other forms of compensation, including pensions, insurance plans and related items. The board is now engaged in developing a wage policy to replace the wage freeze that will permit some adjustments in wages and compensation in accord with the policy guides which the board will authorize. In the development of this policy, consideration is being given to the special problems raised in the field of pensions and insurance plans."

THE GREAT-WEST LIFE REPORTS ON 1950

THE fifty-ninth Annual Report of The Great-West Life reveals that the Company's record of enterprising development has been accelerated during 1950.

The highlights, which appear below, taken from the Company's balance sheet and operating statement, indicate the increasing magnitude of its services to 470,000 policyholders in the United States and Canada. The Company's overall operations were at a most satisfactory level and the results achieved were the most favorable in many years.

Some Interesting Comparisons

	1950	1949
Total Business in Force.....	\$1,671,014,073	\$1,503,853,469
New Business.....	259,171,995	228,859,927
Assets.....	385,335,607	357,621,351
Liabilities.....	365,129,058	340,030,940
Capital, Contingency Reserve and Surplus.....	20,206,549	17,590,411
Paid or Credited to Policy- holders and Beneficiaries...	52,223,119	50,118,247

Your future is our business to-day!

THE
GREAT-WEST LIFE
ASSURANCE COMPANY

HEAD OFFICE—WINNIPEG, CANADA

Fifty-Seventh Year of Dependable Service

★ The State Life Insurance Company has paid \$173,000,000 to Policyowners and Beneficiaries since organization September 5, 1894 . . . The Company also holds over \$76,000,000 in Assets for their benefit . . . Policies in force number 102,000 and Insurance in force is over \$211,000,000 . . . The State Life offers splendid opportunities — with liberal contract, and up-to-date training and service facilities — for those qualified.



THE STATE LIFE INSURANCE COMPANY

Indianapolis, Indiana

MUTUAL LEGAL RESERVE FOUNDED 1894

How's your future looking?

Our commission contracts are extremely liberal. Our policies sell fast and there is no limit to earnings. Build for your future with a Pacific National Life contract.

PACIFIC NATIONAL Life Assurance Co.

411 East So. Temple — Salt Lake City

Ray H. Peterson
President



Kenneth W. Cring
Vice Pres. & Supt. of Agencies

Life Sales Keep Pace with the Economy, Kalmbach Tells General Agents

President Leland J. Kalmbach of Massachusetts Mutual Life, addressing the company's general agents' convention this week at Chicago, took issue with the opinion expressed in recent months that somehow the life insurance industry has failed to keep pace with the economy's expansion because premiums constitute a diminishing portion of national income and there is a tendency for life company assets per policyholder to decline.

Mr. Kalmbach said that he feels the life insurance business has more than kept pace with the nation's economy and has chalked up an achievement that is a real credit to the nation's sales forces.

Overlook Far-Reaching Changes

Opinions expressed to the contrary, he said, overlook two far-reaching changes since Pearl Harbor. One is the tremendous increase in direct and indirect taxes. The other is the steady increase in the cost of living. Two other factors are the growing awareness of the old age and survivors insurance benefits under social security and the tremendous growth in private pension plans.

These latter two factors have resulted in a realization for many that there is somewhat less necessity for accumulating their individual retirement funds with life companies. On the other hand, the increase in taxes and cost of living have resulted in the recognition of a need for greater life insurance protection, as contrasted with the investment function of life insurance.

Sales Have Kept Pace

As regards life insurance sales, Mr. Kalmbach said that a comparison of life insurance purchases per million of population with the consumers' price index (cost of living index) indicates that in recent years life insurance sales have more than kept pace with the growth in the country's population and with the increases in the cost of living. A table comparing life insurance purchases per million of population with the cost of living, taking in averages of the years 1935-39 inclusive as a base, shows that for each year since that period, except the war years, the index of life insurance purchases has kept well above the consumers' price index.

He said that a similar table comparing life insurance in force per million of population with the consumers' price index shows that at the end of 1950 the index of life insurance in force per million of population was well in excess of the consumers' price index, indicating that the total life insurance in force has more than kept pace with both the growth in population and the increase in the cost of living.

FISCHER SPEAKS

Vice-president Chester O. Fischer congratulated the field force on its 1950 accomplishment of increasing business by 10.32% of the total ordinary in force, a net gain after deducting terminations of 5.74%. He also discussed the problems the country faces because of the defense program.

Vice-president Charles H. Schaaff emphasized the importance of doing something every day about recruiting, in spite of present unsettled conditions in the nation.

"You, as general agents, must first convince yourself that you must recruit," he said. "Then you must make specific plans."

There was a panel on "Planning the Job," conducted by Corydon K. Litchard, of Springfield, Mass., E. W. Gale of Wilkes Barre, E. Leo Smith of Indianapolis, Jewel W. Tyson of Richmond and Kenneth W. Perry of Hartford. The same day there were

two panels under Clarence W. Reuling of Peoria, vice-president of the association. Kenney E. Williamson, Peoria, William F. Hughes, Memphis, Alvin T. Haley, Greensboro, N. C., Desmond J. Lizotte, Newark, and Silas G. Johnson of Madison, Wis. spoke on the recruiting of career agents; and J. S. Braunig,



L. J. Kalmbach



C. O. Fischer

Boston; Howard Kelley, Chicago, and Gerald L. Griffin, Albany, discussed the training of career agents.

Wrayburn M. Benton, 2nd vice-president, was toastmaster at a dinner at which special awards were presented. Earl C. Jordan, Chicago, received the Perry achievement award. Plaques went to the Rochester, St. Louis-Woods, and Lawrence, Mass., agencies, group winners in the recent quota buster contest. Service emblems were presented to E. M. Sawyer, La Salle, Ill., Frank W. Drake, Birmingham, Mr. Litchard.

Lovell H. Cook of Springfield, Mass., immediate past president of the association, presided Tuesday when Vice-president Richard C. Guest commented on mortality experience, military business, changes in medical underwriting, pension trusts, graded death benefit contracts, and a general survey of the company's operations and policies in the group insurance field.

Clarence E. Pejeau, Cleveland; John R. Humphries, Chattanooga; Harry C. Copeland, Jr., Syracuse; G. P. Roberts, Wheeling; Ned G. Patrick, Omaha, and Eugene W. Hassfeld, Toledo, were the speakers on a panel, "Ideas That Sell."

Melin Now Chief Examiner of Minnesota Department

Julius Melin has been appointed chief examiner of the Minnesota department succeeding Albert Burger, who resigned to become vice-president of Bankers L. & C.

Mr. Melin started with the department as an examiner in 1907 and two years later was made chief examiner, continuing in that capacity until 1917 when he took over management of an insurance company at Winnipeg.

Returning to the department in 1922 he served as deputy commissioner resigned a year or two later to become vice-president of Modern Life, returned to the department a third time in 1925 and has remained there since as an examiner.

Bills Introduced in Ohio

A house bill in Ohio would provide group life insurance for members of credit unions.

Temporary disability compensation bills have been introduced in both houses.

The New Jersey department has joined with several other states in an effort to put International Workers Order out of business. Commissioner Gaffney appeared in the New York supreme court proceedings for its liquidation.

The Gardiner agency in New York City of John Hancock Mutual reported the largest ordinary paid-for business during January of any month during the last 20 years. The total volume was \$2,250,000 with annual premiums of \$115,000.

4 LIFE PEOPLE DIE

Mutual Benefit's Cashier Killed in N.J. Train Wreck

Russell B. Hubbard, 46, cashier of Mutual Benefit Life, was among the 83 persons who lost their lives in the Pennsylvania Railroad wreck at Woodbridge, N. J., Tuesday. He had been with the company since 1923 and came up through the financial and investment departments.

John F. James, 40, general agent of Monarch Life at Newark, long active in A. & H. association work, was killed. He was one of the best known field judges in the country and last year was president of the Eastern Assn. of Intercollegiate Football Officials. He graduated from Princeton in 1932 and was an All-America halfback in his senior year. He was a naval officer during the war.

Equitable Has Two Deaths

Equitable Society apparently sustained the most casualties, two killed and one injured.

Those killed were Mrs. Helen Potter, 28, of Neptune City, N. J., and Miss Ruth Crimmins, 21, Laurence Harbor, N. J. Injured but not seriously is Philip Slater of Belmar, N. J.

Mrs. Potter was a secretary to Charles Corcoran, director of sales promotion. She had been with the company 10 years and was an outstanding member of the company's bowling league.

Miss Crimmins, who worked in the auditor's department, had been with Equitable four years.

Mr. Slater is an assistant mathematician.

Herbert Bird, head of Mutual Benefit's filing division, lost a leg. About 15 other home office employees were on the wrecked train, one of them escaping through a window.

Arthur Stokes of the New York City mortgage loan office of Prudential was among the injured.

Bohlinger Opposes Change in Securities Valuation Rules Pending N.A.I.C. Action

NEW YORK—A request by Teachers Insurance & Annuity for a change in the insurance law governing the valuation of securities was opposed by the insurance department at a hearing before the joint legislative committee on insurance rates and regulation.

George E. Johnson, vice-president, told the committee that he was aware of the current studies being made by the National Assn. of Insurance Commissioners committee on valuation of securities but he said that "it has been going on for years." He asked that a bill be adopted which would allow a company having more than 75% of its assets not subject to voluntary withdrawal to value its preferred stocks at cost so that it could purchase more of them and increase its income. Under the present system, he said, the association's surplus is "bounced around" and that this is hard to explain to colleges, and others. If it earned 1% more on its preferred than it does on its bonds, which it is now doing, it would increase its earnings by \$250,000 a year, he said.

Wants Immediate Action

He argued that his company's principal clients are colleges and universities and that these institutions can and do invest in preferreds. They ask his company why they would not be better off to invest on their own in stocks. This is very hard to answer, said Mr. Johnson. He said he would prefer a general revision such as is contemplated by N.A.I.C. but stressed that some immediate revision is necessary.

Superintendent Bohlinger said he did

not differ with Mr. Johnson's basic thinking and expressed sympathy for the position of his company. But he said he thought it would be more appropriate for the revision to come through the N.A.I.C. when it completes its plan for an over-all revision. Another N.A.I.C. committee meeting will be held on that problem this spring. He said he was reluctant to have New York state go off on its own when its valuation methods affect companies in other states. If the N.A.I.C. committee does not come up with a solution, he said he might have to act unilaterally but that he would prefer that to be only as a last resort.

Says U.S. Fiscal Policy Greases Inflation Skids

NEW YORK—President Thomas I. Parkinson of Equitable Society charged this week that the government has embarked on a low interest rate policy that "greases the skids for rampant inflation."

At the same time the federal reserve board announced that business loans by member banks in leading cities had

reached another record high in the week ended Jan. 31.

Mr. Parkinson was referring to the White House statement that the board would carry out open market stabilization of government securities and insure the low interest rate policy long advocated by Treasury Secretary Snyder.

The announcement is a "historic about-face on traditional monetary policy" and makes the board a "captive" of the Treasury, Mr. Parkinson declared. The real trouble is not increased prices and wages, he charged, but failure of the President and the Secretary of the Treasury to deal with the monetary causes of inflation.

TO HELP YOU MAKE YOUR FUTURE YOUR FORTUNE!



\$10 DISABILITY

What everyone wants! Offered on Preferred Risk and Independence Guarantor Policies. Gives you an edge on competition.



DIRECT MAIL

Extensive—field-tested—Direct Mail help. Leads developed and pre-conditioned. Salesmen label it the "GOLD-EN" Direct Mail Plan.



NON-CONTRIBUTORY PENSION

Up to \$400 per month Lifetime Guarantee of Renewal Income. Plus—Commissions and Bonus on any insurance you write!



ACCUMULATOR

New! Most talked about plan in America today. Instant appeal to all prospects. Typical of other equally attractive "income-boosting" sales plans.

TERRITORIES:

Opportunities open in: California, Florida, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Texas, Virginia, Washington, D. C., West Virginia, and North Carolina.

ATTRACT STRONG MEN

HOLD and REWARD YOUR BETTER MEN WITH

1. Liberal 1st Year Commissions and Production Bonus.
2. Vested Renewals and Non-Contributing Pension Plan.
3. Substantial Rewards to Your Agents for Helping You Build!

MAKING YOUR FUTURE YOUR FORTUNE

Write today for Details of the Agency Plan
Inquiries held in strict confidence.

The COLUMBUS MUTUAL
LIFE INSURANCE COMPANY
Columbus 16, Ohio

CARL MITCHELTREE, Pres., BEN F. HADLEY, Supt. of Agencies

Jaqua Writes New Book

A. R. Jaqua, director of the Southern Methodist school, has written a new book slanted toward the layman and beginning agent, entitled "Basic Life In-

surance." The book, published by Gregg Publishing Co., covers the growth of life insurance, how the policy meets the primary purpose of any investment, programming, and use of life insurance for specific purposes.

H. & A. GROUP PANEL

Terms Catastrophe Only True Insurance in Medical Field

George W. Jacobson of Group Health Mutual, St. Paul, galvanized those attending the group meeting of H. & A. Underwriters Conference at Chicago by defining catastrophic coverage as the only coverage in the hospital and medical field which can really be called insurance. Coverage of ordinary hospital and medical bills, especially starting from the first dollar, is so subject to unpredictable human variables that it is fit only for managerial rather than actuarial treatment. He maintained that the insurance companies and public should realize that under ordinary hospital and medical insurance, the insured is merely exchanging dollars. He said that the major catastrophes in the medical and health field are the only contingencies which really need to be insured against. Mr. Jacobson said that the average insured covered by group hospital and medical payments could post-pay through savings what he is now prepaying through quasi-insurance. It is only where the insurance plan is tied up with the agencies which provide the medical and hospital services that the insured can effect much of a saving.

Mr. Jacobson described the deductible group medical catastrophe coverage which his company is marketing with considerable success. The deductible is usually of between \$200 and \$300 and a maximum amount of \$1,500 or \$3,000, depending on the incomes of the assured. It can be extended to the family of the wage earner.

Popular with Middle Group

Mr. Jacobson admitted that this catastrophe coverage is not readily salable in the low income brackets at present, but he said this is a temporary limitation that can be overcome through advertising and salesmanship. Right now this medical catastrophe coverage is very popular with groups of middle-income people and there is no difficulty in enrolling 75% of such groups.

Much interest was shown in the light shed on the still comparatively unknown field of group polio in a survey conducted by Washington National which was described by the assistant secretary of that company, Robert S. Finley. Washington National circularized with a questionnaire six companies in the group polio field, a representative group from the point of size and geographic operation. Mr. Finley said that the survey demonstrates that there is very little known still about writing group polio. It is a desirable risk from a public point of view and is a risk that can be defined. It is salable and the persistency is good. There is no conclusive answer as to whether it is profitable.

The first question Washington National asked was if the companies had a limit on the number of lives they would insure. All of the companies use the customary state group limitations, in most states a minimum of 25 lives. The questionnaire asked if the companies in question lower the rate with the number of persons insured. All of the companies answered that they use the uniform rate.

Require Employee Cover

It was developed that all companies require the employee to be covered if his dependents are to have the polio coverage. The companies establish limits of between \$1,500 and \$5,000 and cover to three years from the inception of the disease.

All of the companies questioned make the benefits payable in lieu of other group insurance payments. On the matter of treatment of reserves for polio insurance, two of the companies do not charge losses to the experience of the particular group. Two companies charge experience to the group in question and one company could not answer while the

other company is considering pooling all group polio experience.

To the question whether or not group polio experience has been profitable, only one of the companies has yet segregated the losses to the extent that they can gain a picture. The loss ratio has been satisfactory for this insurer. The other companies suspect experience has not been satisfactory for them.

None of the companies surveyed include or intend to include dread diseases with group polio. They feel there is little sales or public value to such coverage.

Excess Blanket Accident

Carl R. Ashman, administration manager and actuary of the group department of Lincoln National, was panel chairman and filled in on the subject of excess blanket accident coverage for F. M. Walters, superintendent of the A. & H. department of General Accident, who was unable to be present. Mr. Ashman said the only experience of his company has been with four groups on the west coast. Lincoln National demands that the insured have hospital

Ye Olde Maine Almanac For 1951



Five years John spent hunting tonicks,
He drank all the kures in the land,
And lost so much flesh he was forced
To hold up his pants with each band.

Q. Define old maids?

A. Embers from which the sparks have fled.

KALKULASHUNS

TOP KNOTS

JAN FEB
MAR APR
MAY JUN
JUL AUG
SEPT OCT
NOV DEC

RESOLVE - Sell Union Mutual Insured Savings Plan
SLIPPERY - Good time to sell Union Mutual Non-Can S & A
Income Tax Time - review of business reveals need for Business Insurance
SPRING - renewed vitality for selling Union Mutual Preferred Risk
Union Mutual Double Protection Plan sells easily
WEDDINGS - Need for Family Income
VACATIONS - Retirement Plans provide future vacations
Back to work - ideal Programming time
SCHOOL AGAIN - sell Union Mutual Juvenile Insurance
New Homes ready - Mortgage Retirement protects family
Group and Wholesale make fine Xmas gifts for employees
XMAS - Let the season be Merrie

The best tonic for tuning up sales performance is still ringing doorbells and telling your sales story.

But tell it intelligently and well. Union Mutual helps the field underwriter do just that. Union Mutual's sales kits

are modern, easy to use, attractive to the prospect, complete.

They are professional tools for the professional underwriter... double-

edged to make more sales—and dollars—in both the Life and Non-Can Sickness and Accident markets.

* Union Mutual sales kits are field tested—tried out under actual selling conditions before being released.

UNION MUTUAL

Life Insurance Company

ROLLAND E. IRISH, President

Portland, Maine
Home Office

GENERAL AGENTS WANTED

ILLINOIS, INDIANA AND OHIO GENERAL AGENCY OPENINGS ARE AVAILABLE TO QUALIFIED MEN. THIS IS YOUR OPPORTUNITY TO BECOME ASSOCIATED WITH A GROWING COMPANY LOCATED IN THE MIDDLE-WEST AND WRITING ORDINARY, GROUP AND A. & H. BUSINESS. WRITE US TODAY, GIVING BACKGROUND AND EXPERIENCE.

FARMERS LIFE INSURANCE CO.

504 1/2 GRAND AVENUE

DES MOINES, IOWA

Fenced In...
against bigger income by your present opportunities in INDIANA or OHIO territories?

If you are a good producer and live in Indiana or Ohio, we have a new DIRECT CONTRACT which, we believe, will increase your income.

A Complete Line of:

- Life
- Accident
- Sickness
- Hospitalization

All replies confidential.

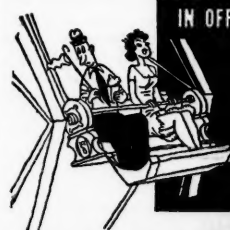
Write today to:

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Superintendent of Agents

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and surgical expense coverage in order to be eligible for the group excess. Experience has been favorable.

George C. Johnson, group insurance coordinator for Hardware Mutual Casualty, described the group diagnostic X-ray coverages with which his company has had considerable success. He said there is a strong need for such coverage because ordinary coverage does not pay for anesthetic, laboratory tests and X-rays on an out-patient basis. The company offers this insurance in the form of a rider on other group and has found it particularly good on small risks. The company sets benefits at a stipulated maximum of \$25, \$35, and \$50. It has been found that on groups of 25 or less especially this diagnostic coverage cuts out abuse of hospital expense cover for such testing.

Morton Miller, assistant actuary of Equitable Society, said that the cost of comprehensive medical expense benefits is what keeps this coverage from being widespread. Mr. Miller praised the work of the Health Insurance Council as a spokesman to the public and the doctors. He reported that doctors commonly have been baffled in attempts to come to grips with any definite or representative group in the insurance business and this association helps in this regard. Mr. Miller reported that some of the medical society plans are moving into the medical expense field and demonstrating the possibilities of this cover. He spoke of the importance of having a certain deductible or co-insurance involved in blanket medical expense cover and set the arbitrary figure of 25% to be paid by the insured as adequate. This is necessary to give the insured and the physician the incentive to keep the charges within reason. He said that the "charge them as much as they can pay" tradition of the physicians assumes more serious proportions under the blanket type coverage than under scheduled coverage.

N.W. Mutual's Auditor Is Charged with \$87,553 Theft

MILWAUKEE — Leonard A. Timmerman, auditor of Northwestern Mutual Life has confessed to embezzling \$87,553 through fraudulent claim payments over the last two years, according to company officials. Mr. Timmerman, who has been with the company since 1925 and has been auditor since 1947, said he had no accomplices in his defalcations. The company preferred formal charges Thursday.

Mr. Timmerman has made restitution of \$62,159 in the form of cash, securities, real estate, and a new automobile.

His system, he said, was to alter home office records so that optional settlement payments would be made under a policy that had previously been paid in full in cash. The installment checks would be directed to fictitious persons at fictitious addresses. Mr. Timmerman would remove the envelopes before the mail department sent them out.

The slip-up occurred when he failed to intercept an envelope and it was returned by the postoffice when the addressee could not be found. This resulted in an investigation that brought about Mr. Timmerman's confession. Up to Thursday there was no indication as to what had impelled him to take the money.

The loss is fully covered by a fidelity bond.

Dominion Raises Mackenzie To Asst. General Manager

Dominion Life has appointed Steele C. Mackenzie assistant general manager and superintendent of agencies. Mr. Mackenzie entered life insurance in 1927 and in 1932 joined Dominion Life as supervisor of training. He became agency supervisor and in 1937 was made superintendent of agencies. He is a C.L.U.

Continental Honors Teare

The agency achievement award of Continental Assurance has been pre-

sented to H. Malcolm Teare, general agent at New York City. His agency produced more than \$6,700,000 in ordinary last year. Agency achievement certificates were awarded also to the following general agents: David A. Carr, New York City; Carl E. Haas, Brooklyn; Ben Polmich, Detroit; Joshua B. Glasser, Chicago; Howard Neal, Los Angeles, the Baxter-Robertson agency, San Jose, Cal.; Jean Avar, Canada.

N.Y. A.&H. Club Meets Mar. 1

The A. & H. Club of New York City

will hold its next meeting March 1. A film informing wage earners about the New York disability benefits law and an educational movie on civil defense measures against atom bombing will be shown.

Wellner Heads Managers

At the annual meeting of the General Agents & Managers Assn. of Continental Assurance, at Chicago, Gunnard F. Wellner, Bridgeport, Conn., was elected president. Carl E. Haas, Brooklyn, is vice-president, Robert L. Blue, Miami, sec-

retary-treasurer.

Howard C. Reeder, executive vice-president, outlined amendments to the agents' benefit plan. Henry Blumberg, attorney, discussed wills and legal considerations at a dinner. David G. Scott, actuary, described the revised dividend scale for 1951. Other speakers were Dr. Clifton Reeder, medical director; David A. Carr, general agent, New York City, and George Baxter, general agent at San Jose.

The annual report of the American College has been issued in booklet form.

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EDITORIAL COMMENT

Imagination No Longer Taboo in Investing

An officer of one of the large life companies said the other day that their investment scope "now extends from the cradle to the grave with many detours in between." He was so right because, among other things, they were helping to finance a diaper wash company and a burial vault concern.

These are exaggerated examples. But they do illustrate the point that life money is bulwarking business enterprise, more and more, great and small. There is scarcely a type of venture, from a newlywed's home in the suburbs to an expanding aircraft factory which cannot attribute at least its start to life insurance funds.

Equitable Society, for example, completed loans last year for additions to Cedars of Lebanon and Good Samaritan hospitals in Los Angeles, Billings Deaconess Hospital, Billings, Mont., and the Bronson Medical Center in Kalamazoo, Mich.

The same company purchased and leased back branch department stores near Chicago, made loans to passenger bus terminals in Ohio, bought and leased freight cars, as well as pioneered

in a public building project in Pennsylvania.

There were others, too, that went afield from the usual apartment, dwelling and business building mortgages. Prudential made a \$1½ million loan to the Minute Maid Groves Corp. Security for the loan comprised 3,777 acres of citrus groves spread over three Florida counties.

Among unusual investments of Penn Mutual are those in an animal trap company, a food company, and a mortgage on a retirement home project for church people.

And so it goes. Many companies are hesitant about discussing loans which aren't specifically sanctioned by accepted custom of the decades. Some are fearful that anything not directly connected with the defense effort will bring down censure from Washington.

More and more, though, the spirit of the companies in their investments is put a premium on originality and imagination in investing rather than regarding as anathema anything of which it cannot be said, "We've always done it that way."

Investment Companies as Competitors

"Insurance companies and investment companies ought not to consider themselves in competition with each other. Both have a valuable service to sell. The people who advertise Coca-Cola do not claim that no one should drink milk."

So wrote Amory Parker of the Parker Corporation of Boston, general distributors of Incorporated Investors, in a recent letter to THE NATIONAL UNDERWRITER.

Nevertheless, we believe it is obvious that insurance companies and investment companies are in competition with each other, whether they ought to consider themselves so or not. Earlier in the same letter Mr. Parker said: "We should like to make our position clear. We have consistently recommended in our literature that investors should have (1) a backlog of cash and government bonds; (2) insurance. Only after the first two conditions have been met should the investor consider common stocks, whether purchased direct or through an investment company."

The obvious question, and the fundamental one, is how much cash, government bonds and insurance should a man have before buying stocks, either on his

own or through an investment company. So we wrote Mr. Parker, asking him how much of these three prerequisites he felt a man should have, in proportion to his income or financial worth, before buying common stocks. He replied that he didn't think that the amount of cash and insurance a man should have can be expressed as a percentage of income, that "there are too many variables, such as whether his wife has money, or not, whether his children are employed, headed for college, etc., the cost of living in his particular community and many other factors."

Unfortunately, Mr. Parker failed to avail himself of the opportunity to set forth the standards that his company and its salesmen use in deciding whether a prospective customer has enough cash and life insurance to be encouraged to buy into Incorporated Investors.

But it doesn't take much imagination-stretching to guess that an amount of cash and insurance that an investment company salesman would consider to be an adequate backlog for the purchase of his wares would fall considerably short of what a conscientious life insurance agent would regard as the mini-

mum for family protection and retirement income.

Our own feeling is that a man should have enough life insurance, government bonds and cash to take care of his family should he die prematurely and himself no matter how long he should live. When he has done that let him invest in common stocks or anything else that looks good to him. "Take care of" is an elastic term that means dif-

ferent things to different men. But even the stingiest man, if he faces his problem honestly, will come up with a pretty substantial figure.

When the investment company people tackle only such prospects as have taken care of their family dependency needs and their retirement needs, then we'll agree that investment companies and life companies shouldn't be considered to be competitors.

PERSONALS

Lewis W. Douglas, former ambassador to Great Britain and chairman of Mutual Life, has been appointed to the executive committee of the United States branch of Employers Liability.

Powell B. McHaney, president of General American Life, has been named a member of the board of curators of University of Missouri.

Edmund Fitzgerald, president of Northwestern Mutual Life, has been elected a director and to the executive committee of Allis-Chalmers of Milwaukee.

Charles E. Cleeton, vice-president of N.A.L.U., celebrated his 30th anniversary with Occidental Life recently. He has been a life member of the Million Dollar Round Table since 1933. He is general agent in Los Angeles and is a C.L.U.

President **Charles G. Taylor** of Metropolitan Life was principal speaker at the graduation exercises of Stevens Institute, Hoboken, N. J. He received an honorary degree of doctor of engineering.

Wyman Elected President of Equitable Agents' Assn.

Agents Assn. of Equitable Society has elected **Silas D. Wyman**, Boston, president to succeed **Hamilton E. Childs**, New York City.

While acting in his new capacity, Mr. Wyman recently conferred with President **T. I. Parkinson** on the association's compensation aims for career agents.

The association has published the first issue of a quarterly bulletin discussing its activities and distributed it to the agency force.

Weitz Joins L.I.A.M.A.

Joseph Weitz, associate professor of psychology at Carnegie Institute of Technology, has been appointed a research associate of L.I.A.M.A.

He will take charge of the association's research in the field of opinion and attitudes of agents and the life insurance public. Study in this area is being enlarged as more companies use these reports, particularly in agent training programs.

Dr. Weitz graduated from Carnegie Tech in 1937 and studied at University of Virginia, where he received his Ph. D. in 1940. Following wartime service as a captain with the air corps psychological research section, he became an associate professor at Tulane in 1945. He went to Carnegie in 1948.

DEATHS

J. W. BISHOP, SR., 70 general agent for Northwestern National Life at Chattanooga, Tenn., died. He started with the company in 1940. He had been a trustee of National Assn. of Life Underwriters and was a member of the committee which founded the American College of Life Underwriters. He was one of the first to receive the C.L.U. designation. His son, **J. Walter, Jr.**, will continue to operate the agency.

MRS. MARTHA M. BELCHER, 93, widow of **Charles E. Belcher**, for many years publisher of the Standard, insurance weekly that circulates in New England, died at the home of a daughter in Newton, Mass. She used to accompany her husband on some of his trips to insurance meetings.

EUGENE P. BERRY, 68, former Michigan commissioner, died following a heart attack while walking near his home at Detroit. He served one term as head of the insurance department in 1941-42 as an appointee of Gov. Van Wagoner. Earlier, in 1933-34, he had served as a commissioner in the department of labor and industry, which administers the workmen's compensation act.

HARRY D. BRUNER, 77, former supervisor of the settlement option department of Bankers Life of Iowa, died at his home following a cerebral hemorrhage. He was a widely known writer of homespun poetry and retired from Bankers Life in 1940 after 41 years with the company.

J. MITCHEL THORSEN, 69, of the Bender agency of National Life of Vermont in New York City, died at Amityville, L. I. Before joining the agency in 1940, he was an advertising and public relations executive.

WILLIAM J. HERRELL, who retired 15 years ago as an agency manager of New York Life after 20 years service, died at Montclair, N. J.

ARTHUR V. WILLIAMS, 73, district manager in Charleston, S. C., for New England Mutual, died following a long illness. He was a member of the port commission and during the second war served as chairman of the USO.

THOMAS K. CARPENTER, 64, of the J. Robert Guy agency of Northwestern Mutual Life in New York City, died at his home in Rye, N. Y. Mr. Carpenter had been with the company 19 years and before that was in the investment business in Chicago and New York. He specialized in pensions. He was a life member of the Million Dollar Round Table. A native of Minneapolis, he was

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a graduate of the University of Wisconsin.

ROBERT F. IVES, 60, a leading Massachusetts Mutual agent for many years, died at his home in Cincinnati following long illness. He joined the Cincinnati agency in 1928.

Statements Show Notable 1950 Gains

(CONTINUED FROM PAGE 1)

The increase in insurance in force of \$40,936,000 was likewise a record. The average size of new policies rose from \$3,951 in 1949 to \$4,582 in 1950.

OLD LINE LIFE

Old Line Life's new paid life business in 1950 amounted to \$15,293,000. A. & H. premiums added up to \$1,304,000. Life insurance in force reached \$138,990,000, a net gain of \$7,753,000. Assets rose to \$41,800,000.

PHILADELPHIA LIFE

Philadelphia Life had a record-breaking year in 1950, with \$32 million of new business, an increase of 18%. Insurance in force increased from \$120 million to more than \$140 million at the year end, up 17%.

SHENANDOAH LIFE

Insurance in force of Shenandoah Life rose to \$368,267,870. Assets at the end of 1950 stood at \$31,253,971. Capital, surplus and contingency funds amounted to \$3,600,000.

UNION CENTRAL

New life insurance sold during 1950 by Union Central Life amounted to \$118,314,620, an increase of 17.1% over 1949. Life insurance in force amounted to \$1,434,702,388. Policyholders and beneficiaries received \$48,548,627 from Union Central in 1950. Assets increased to \$642,470,257.

VOLUNTEER STATE

New life insurance of Volunteer State Life during 1950 amounted to \$16,098,000, an increase of 11.8% over 1949. The total insurance in force rose to \$170,700,000. Assets stood at \$46,459,353 and surplus amounted to \$3,603,892. Payments to policyholders and beneficiaries amounted to \$2,641,995.

Conference Group Meeting Has Double 1950 Attendance

(CONTINUED FROM PAGE 3)

account. Rural areas usually are less expensive. If more than 10 times is paid, extras begin to creep in, and treatments and services not necessary to the case are added.

Companies have started to wonder if

\$150 is enough for surgery. Mr. Egger said it is not for some operations, but whenever the limit is raised many doctors have a tendency to increase their charges accordingly. They conform to the maximum insurance schedule.

A panel on medical society plans consisted of Lambert G. Schultze, Provident Life & Accident; Claude Morter, Hardware Mutual Casualty, and H. C. Pogue, Business Men's Assurance. Mr. Schultze talked on the Tennessee and Georgia plans, and said in Tennessee 260,000 people have been enrolled by 25 companies and two Blue Cross plans. About 10% of the enrollment is for individual policies. Seventy-five percent of the eligible doctors are participating. The Tennessee doctors are thinking of adding medical benefits optionally, he reported.

The Georgia plan, which is patterned after Tennessee, is not yet in operation, but will start Feb. 15. Mr. Schultze said more companies are welcome to enter this field. There is plenty of business.

In Wisconsin Mr. Morter said 26 companies are selling the business, and one Blue Shield plan is offering a similar coverage.

OBSERVATIONS

Freeze on Sales Initiative

For the first time, insurance men are discovering what it is like for a salesman to be faced with matters beyond his control that render him unable to deliver what he can sell. There are very few group insurance men and producers who feel that the present freeze on employee benefit sales imposed by the federal government will put an end to all group and pension sales, but they do see that certain curtailment can be expected during the year. Such a situation has a very bad morale effect on men used to regarding and proving that the sky is the limit on personal selling initiative.

Most of them feel in accord with the position of the company associations that employee benefits have some points in common with wages, but that there are many distinctions which are entitled to separate treatment. The group insurance men are all plenty busy and would be for many months even if not another case were written, but they are operating under an uneasy cloud. They are fretting for further clarification of the status of employee benefits under the freeze.

There are some in the insurance business who see the fine Italian hand of the social planners in the government in extending the wage freeze definitely to the fringe benefits. All in all, the situation is rather dim for the optimistic go-getters who have been burning up the track in marketing employee benefit coverages both in the company and producer ranks.

Helping Beat the Help Shortage

As the anticipated clerical help shortage develops, increasing use should be found for a simple labor-saving device used in memorandum correspondence. It consists of three letter-size sheets of inexpensive paper with one-time carbons. The person sending the memorandum writes or types it. He keeps the last carbon and sends the original and first carbon, still fastened together, to the recipient. The latter writes his reply in the blank space below the first message, retains the carbon and sends the top sheet back to the first man.

War Renders Brokerage Valuable

With the threat to present agents and potential agents among younger men implicit in the war situation, many life offices in the brokerage towns expect to be depending upon the business of brokers heavily as during the recent war. Already some agencies which have done little to write brokerage are cultivating this field for the first time or strengthening their brokerage techniques. Brokers in general seem to be older men and

few of them are subject to war service. There are no figures of comparison extant, but it would seem probable that the average age of general insurance brokers would exceed the average age of full-time life insurance agents by many years. There have been comparatively few young men in the last decade who have become brokers and there have been of course many thousands who have been recruited as life insurance agents.

Must Spend Much Money

There is apparently no way that an agency desirous of brokerage business can break into this field without spending considerable money to do it. Those agencies which stress brokerage business must of necessity spend sizable amounts each year advertising in trade publications which reach brokers. Most brokerage-oriented agencies have on their staffs a salaried brokerage supervisor who is well known among the general insurance producers of the town and who spends his main time selling himself, his agency and his company, to the brokers and the rest of his time helping them with the details of planning and selling life insurance programs.

Though they have improved in recent years, most agency heads find that general insurance brokers are still virtually unlettered in life insurance. The agency head must offer them advice and training and he and his brokerage man often have to make the sales presentations for the broker. Brokers must be given plenty of help, they must be coddled, but the established ones do have rich life insurance prospects in their client files. There are a number of agencies which

have grown fat working almost exclusively with brokers.

The agency head who wants to get into this business must, first of all, have a competitive company with some attractive specialties, know brokers himself or hire a man who does and be willing to spend several bucks for every one he makes until he has himself established in the field. Good brokers are stable and loyal to the life agencies which provide real service.

Wins Reluctant Praise

The testimony of Donald B. Woodward, 2nd vice-president of Mutual Life, before the New York state joint legislative committee on insurance rates and regulations, in support of liberalizations to the insurance investment law was well received by the committee and the audience.

Mr. Woodward's talk was accompanied by an exhibition of technicolor slides bearing graphs which were clear, concise and to the point.

Senator Friedman of Brooklyn, the only Democrat on the committee, for several years has been a consistent questioner of insurance witnesses. On many occasions he has managed to rattle them. During the Feb. 2 hearing he displayed his talents until he encountered Mr. Woodward's presentation, with which he was visibly impressed.

When it was completed, he told Mr. Woodward from his chair that his discussion was "very good." To this Senator Condon, Yonkers Republican and committee chairman, added: "That's the first thing he liked all day."

Executives Given New Duties by B.M.A.



Recently advanced by Business Men's Assurance: Seated, left to right, G. B. Whitt, claim secretary; L. L. Graham, vice-president, who has been given general executive duties; B. V. Alton, director of personnel; standing, F. D. Brown, manager group claims; J. A. Criswell, manager A. & H. claims; E. F. Smith, manager life claims; W. D. Grant, vice-president, and Kenneth Martin, assistant to vice-president.

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LIFE AGENCY CHANGES

Gleckler Named General Agent by Kansas City Life

Alex L. Gleckler, formerly general agent for Monarch Life at Columbus, O., has been appointed general agent for 20 central Ohio counties by Kansas City Life. He will have headquarters at Columbus.

Mr. Gleckler started his business career with Guaranty Title & Trust Co. of Columbus, advancing to vice-president in charge of mortgage loans before he resigned to enter insurance. After serving in the life insurance investment field for a time he entered personal production at Columbus.



A. L. Gleckler

Two Named at Green Bay

Lawrence F. Garot and Norbert J. Christman have been named general agents for Security Mutual Life of Binghamton at Green Bay, Wis. Mr. Garot has been in the business since 1938. He operates a general writing agency there and has represented Business Men's Assurance. Mr. Christman is a law graduate of Notre Dame.

William H. Hanrahan has been named agency supervisor, working out of Appleton, Wis.

Occidental Eastern Changes

Occidental Life has appointed Raymond C. Blackson general agent at Erie, Pa., and Lee D. Gerhold assistant manager at Washington, D. C. The former Erie agency has been discontinued.

Mr. Blackson entered insurance as an agent at Vandergrift, Pa., for Northwestern Mutual Life. In 1949 he went to John Hancock at Erie.

Mr. Gerhold has been an agent for All States Life and New York Life.

Lynch Succeeds Jones

J. R. Jones, manager for Liberty Life at Easley, S. C., is retiring. He is being succeeded by E. R. Lynch, who has been assistant manager there. Mr. Jones joined the company in 1926 as an agent at Seneca, S. C. He later became manager at Greenville.

J. O. Vaughn, assistant manager at Greer, S. C., is also retiring. He has been with the company at Greer since 1928.

Prudential New England Shifts

Prudential has made these changes: Edward Cornell, who has been district manager at Providence, becomes manager at Salem, Mass., replacing Henry J. Elie, who assumes other duties.

Leonard T. Smith, manager in Bos-

ton, succeeds Mr. Cornell at Providence, while Thomas C. Walsh, Jr., succeeds Mr. Smith at Boston.

Mr. Cornell has also been manager at Patchogue, L. I., N. Y., and Taunton, Mass. Mr. Smith has been with the company for more than 25 years and has been manager at Boston. Mr. Walsh went to Prudential in 1940 and has been manager at Lynn, Mass., since 1948.

Kelley, Neal to Join Forces in L. A. for Continental

Howard Kelley has resigned as general agent of Massachusetts Mutual at Chicago to join Howard Neal of Los Angeles in a general agency of Continental Assurance at Los Angeles to be known as Howard Kelley & Associates. The change is effective March 1.

The new organization will take over the Continental general agency franchise of National Associates, headed by Mr.



Howard Kelley



Howard Neal

Neal. National Associates will continue to specialize in employee benefit plans and mortgage coverage and will have an interest in Howard Kelley & Associates.

Mr. Kelley will concentrate on building an organization of full-time career agents. Before going to Chicago three years ago as general agent for Massachusetts Mutual, he was with that company's Yates agency at Los Angeles for three years, where he aided in forming a young men's unit and training new agents. He entered life insurance in 1925 in New York City with Phoenix Mutual, transferring to Cleveland the following year. He left Phoenix Mutual for Massachusetts Mutual in 1943. He continued at Cleveland in his wartime post as director of insurance and compensation for General Motors' Cleveland plant. He was active in the Cleveland Life Underwriters Assn. He brought his agency at Chicago from 26th place in 1949 to 13th place for 1950.

Mr. Neal, who recently qualified for the Million Dollar Round Table for the 11th consecutive year, is prominent in the employee benefit field. His agency ranked sixth in the Continental for 1950.

Old Line Life Appoints Two

MILWAUKEE—Old Line Life has appointed as general agents E. Wayne Arthur, Iona, Mich., and Everett H. Bryant, Vandalia, O. Mr. Arthur entered life insurance nine years ago with General American. Mr. Bryant started selling insurance 12 years ago. He has been with Northwestern Mutual.

R. L. Corr Is Transferred

Robert L. Corr, district manager of Metropolitan Life at Staunton, Va., has been transferred to Kinston, N. C., where he will be in charge of the seaboard territory of North Carolina. He replaces Jacob A. Lindsey, who retired recently after 29 years with Metropolitan.

Tutt Regional Supervisor

Effective Feb. 19, American National has promoted J. H. Tutt to regional supervisor with headquarters at St. Louis. He will be under J. J. Raidy, director of agencies. He has been staff supervisor at Wichita.

The Cramsie, Laadt general insurance agency of Chicago has appointed Clar-

ence A. Melohn as manager of the life department. Mr. Melohn started in life insurance at Chicago in 1937 with Provident Mutual. He became supervisor for Continental Assurance and then joined American National at Chicago. He is an army veteran. Cramsie, Laadt represents Northwestern National Life.

Winfree Assists Simon

Harry V. Winfree, Jr., has been appointed assistant general agent in the Ben Simon agency of Lincoln National Life at Norfolk, Va. He joined the agency in 1946 and has been a member of the Million Dollar Round Table for three years. He served with the marines during the war.

Franklin to Jacksonville

Albert L. Franklin has been appointed manager of the life department of Travelers at Jacksonville. He joined the company in 1930 and has been a field assistant at Charlotte, Wilmington, Richmond and Jacksonville.

He became assistant manager at Jacksonville in 1938 and later in that year was put in charge of the Miami office.

Life of Georgia has opened a new district office at Miami to serve the north side of the city and appointed E. E. Mickler manager. He has been with the company since 1934.

Gordon F. Day has been named assistant manager of the Knutsen agency of Mutual Life at Milwaukee. He has been with the company for three years as an agent at Fort Atkinson, Wis.

Wabash Life has appointed Carl W. Stenger general agent at Marion, Ind. A former banker, he has been in life insurance for 20 years. His territory will comprise eight counties.

Prudential has promoted Harmon J. Davis to district manager at Cheyenne, Wyo. He joined the company in 1937 at San Diego and was promoted to staff manager there in 1947.

Charles A. Conlin has been appointed supervisor of Provident Mutual's Benscoter agency at Detroit. He has been with the company five years and has been a leading producer. Before that he was Detroit manager for Northern Life of Seattle.

Great-West Life has named R. M. Gaby associate group supervisor at Toronto. Mr. Gaby joined the company in 1948. He was promoted to assistant group supervisor last April.

Ernest T. Plummer has been promoted to assistant manager in the White agency at Los Angeles of Prudential. He joined the agency in 1948.

Albert Gariglietti, Metropolitan Life at Pittsburg, Kan., has been named assistant manager there.

New York Life has purchased \$950,000 of first mortgage bonds from Lakewood Water & Power Co. of California at 3 3/4%, due in 1976.

A Fine Mid-West Life Insurance Company Seeks A Proven Sales Manager

A medium-sized, long established company with an excellent record of growth, wants an outstanding, promotion-minded sales executive who will organize and still further develop a substantial selling organization. Limitless opportunity for personal advancement. We suggest a brief outline of your capabilities as the basis of an interview. Address D-69, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Let's Talk

TURN TO THE NEW R & R TAX HANDBOOK WHEN THE PROSPECT ASKS —

"In community property states, what is the general rule as to estate taxation of insurance proceeds?" . . . "What type of 'terminable interest' will, in general, disqualify life insurance proceeds for the marital deduction?" . . . "Can our partnership deduct premiums paid for insurance to finance a buy-and-sell agreement?" . . . "Are premiums paid by my employer for group insurance on my life taxed as income to me?" . . .

The 1951 R & R Tax Handbook gives authoritative answers to 147 important questions on life insurance taxation. Clear explanations. Pocket size. Indexed for instant reference. Just off the press. Low in price.

Order the R & R 1951 Tax Handbook today . . . for yourself and for your associates. You do not risk one penny. If you are not 100% satisfied, you may return it for full credit. Single copy, \$1.35; 2-9 copies, \$1.25.

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INDIANAPOLIS

PAUL SPEICHER • PRESIDENT

The answers to 147 of today's most-asked questions on taxation of life insurance and annuities

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AGENCY NEWS

Oshin Agency Is Honored for Agency-Building Feats

Clarence Oshin, New York City manager for Home Life of New York, at a special luncheon meeting was presented the company's agency building award by W. J. Cameron, president. This marks the second time in three years the agency has won the award for the best all-around record of progress during a 12-month period. The agency led the company in production in 1950 with an increase of 42% over the previous year.

Big January for Schwemm

The Schwemm agency for Great-West Life at Chicago in January placed business of \$2,350,000, a substantial increase over last year. There was also a substantial increase in written business for January. The agency has established 79 consecutive months of a million or more of placed business each month. The agency's group department has moved to enlarged quarters on the same floor as the agency.

Mulligan Tops \$5 Million

For the first time in its history, the Minneapolis agency of Occidental Life passed the \$5 million mark in new business for 1950. Norvy Mulligan is manager.

Schools at San Antonio

Russell Shambaugh, home office instructor for Equitable Society, conducted two schools at San Antonio, one a three-day school for agency managers and the second an intermediate course. The afternoons were devoted to work in the field.

Ellis Pacific Mutual Leader

First in nationwide sales for Pacific Mutual Life in 1950 was the E. A. Ellis Agency at Los Angeles. Runnersup, in order, were Charlton G. Standeford, Fresno; Arthur C. Krauel, Los Angeles, and Arthur E. Kraus, Los Angeles.

The Marmaduke Corby agency of American Mutual Life of Iowa at Oklahoma City was awarded the president's trophy for 1950. It had a paid volume of \$3½ million.

A 32% increase in paid-for production in January was made by the Klein agency of Home Life in Chicago. The agency finished in third place for all agencies.

MANAGERS

Minneapolis Managers Elect Walker Farr President

Minneapolis managers have elected Walker B. Farr, Equitable Society, president; R. D. Ekblad, Sun Life, vice-president; F. R. Olsen, Northwestern Mutual Life, secretary-treasurer. Elected directors were F. W. Harlow, Penn Mutual Life, and Rolland W. Schweiger, American National.

Dodson Columbus Speaker

M. R. Dodson, executive vice-president of Ohio National, will address Columbus Life Managers & General Agents Assn. Feb. 23 on "Current Life Insurance Trends."

Syracuse, N. Y., managers at their "Agent of the Year" dinner honored 30 leading agents.

Fort Worth life managers heard Mack Ball, New York Life, and Jay Smith, Bankers Life of Nebraska, review a portion of O. Sam Cummings' book on

agency management. Mr. Cummings is Kansas City Life's Texas manager.

Seattle life managers heard Noyd A. Leonard, Reliance Life, Seattle, speak on morale.

St. Louis managers will hold their next meeting the evening of Feb. 15.

2,828 Apply for Minn. Licenses

ST. PAUL.—During 1950, 2,828 applications for licenses were filed by new agents in Minnesota. A. & H. applications led the list with 827 applications, and life insurance was second with 800. Applications for other lines were fire, 541; casualty and automobile, 555, and solicitors, 105. During the year, 6,032 agents' examinations were conducted by the department, of which 1,113 failed to pass.

A recent Metropolitan Life survey shows that maternal mortality is somewhat less than one per 1,000 live births and infant mortality about 29 per 1,000. The fact that the declines occurred during a period of rising birth rates has added substantially to the number of lives saved among the mothers and babies.

POLICIES

War Clause on Military Personnel Used by Mutual

Effective Feb. 10, Mutual Life policies on lives of individuals entering the armed services will contain a war exclusion clause. The clause also will apply to those who have been already alerted or called for duty, either as members of the national guard, a reserve, or draftees.

Manufacturers Liberalizes Underwriting of Diabetics

Manufacturers Life of Canada now will underwrite term plans for diabetics. A lower scale of extras is now applied to endowment plans. The age at which applicants will be considered has been lowered to 20.

Columbian Nat'l Regionals

Columbian National Life is holding regional meetings at Los Angeles, Denver, Chicago, Rochester, New York City, and Boston. The over-all theme

will be "Getting the Most Out of Our Efforts." Home office speakers will be President Julian D. Anthony, Vice-president Charles C. Robinson, Frank L. Shoring, director of field services. Mervin L. Lane, New York City broker, will speak at Chicago, New York City and Boston; General Agents Theodore A. Johnstone and John E. Miller of Kansas City will speak at Denver and General Agent Norman W. Rowley of Rochester will address the meeting there.

Plans Okla. Agency Bill

Commissioner Dickey of Oklahoma is drafting an agency bill to be introduced into the current legislature. The department has held separate hearings with representatives of life companies and fire and casualty companies to determine what provisions should be included.

Utah Dept. Wants \$49,340

Commissioner Terry of Utah has submitted a budget to the legislature in the amount of \$49,340 for the 1952-53 biennium. This is an increase of more than \$10,000 over the present budget. Gov. Lee made no specific recommendation for the insurance department in his tax message.

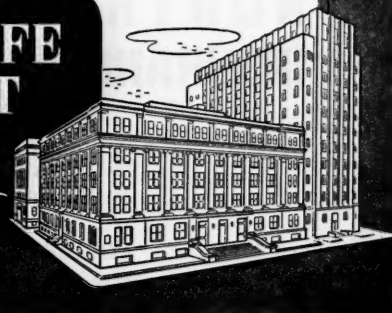
Now in our  50th Year

LOOKING BACK...BUT GOING AHEAD

This is our 50th year and therefore it will be understandable if we look back down the years of the half century and "point with pride" to the progress we have made and the position we have attained among the leaders in the business, all under one continuous management.

But even as we look into the past, we march steadily ahead into the future with no let-up in the pace, with one of the finest agency forces in the business, which is out to make this our greatest year.

The NATIONAL LIFE
and ACCIDENT
Insurance Company
INCORPORATED



COMPLETE PERSONAL INSURANCE COVERAGE

"REGISTERED
POLICY
PROTECTION"LIFE HEALTH
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HOSPITALIZATION
MEDICAL and SURGICAL
REIMBURSEMENT
GROUP
FRANCHISE
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REINSURANCEREPUBLIC NATIONAL LIFE
INSURANCE COMPANY

THEO. P. BEASLEY, President

HOME OFFICE

DALLAS, TEXAS

Life insurance in force exceeds \$310,000,000.00

THE NORTHERN LIFE INSURANCE COMPANY

Provides its Underwriters —

- Generous First-year Commissions
- Full Renewals to the 15th Year
- Group Life-Accident-Health Protection
- A Life Income Pension Plan
- Prize-winning Sales Helps
- A FULL Sales Kit, Including Life, Accident, Health, Hospitalization, Group Life, Group A & H, Salary Savings

Managerial Openings in Newly-opened Midwestern Territory. Write Direct to Home Office; L. J. Myklebust, 940 Des Moines Bldg., Des Moines, Iowa.

NORTHERN LIFE
INSURANCE COMPANY

Established 1906

D. M. MORGAN, President

Home Office: Northern Life Tower
Seattle, Washington

LIFE * ACCIDENT * HEALTH

Issued together at a substantial saving,
or separately

ACCIDENT AND HEALTH

Oppose Canadian
C. of C. Plan

WINNIPEG—The plan of Canadian Chamber of Commerce to bring employees of hundreds of small business firms into a Winnipeg-wide group plan is being hotly opposed by Winnipeg agents. The program would be underwritten by a private company, but the administrative details would be left to the chamber.

This plan's cost would be shared equally by employers and employees, and the contract would provide life, hospital, and surgical benefits for workers and dependents, plus weekly indemnities for accident and sickness. The agents contend that since the chamber would handle the administrative details, it would solicit small firms to join and would be invading the insurance business in direct competition with many of its own members.

Chicago A. & H. Assn. Sets
Sales Congress for Feb. 20

Chicago A. & H. Assn. will hold its annual sales congress Feb. 20. Principal speakers are Hal Bergdahl, manager dealer sales, Crane Co., who will talk on "A Bonus Every Month," and M. C. Laughman, manager of North American L. & C. at Minneapolis, whose topic is "Piddling and Peddling."

In addition, Edward H. O'Connor, managing director Insurance Economic Society, will report on current legislation, and Wesley J. A. Jones, executive secretary International Assn. of A. & H. Underwriters, will review that organization's activities. A cocktail party will close the affair.

N.A.I.C. A.&H. Group to Meet

The A. & H. study subcommittee of the A. & H. committee of N.A.I.C. will meet March 1-2 at the N.A.I.C. headquarters at Chicago. This is the group that was set up at the meeting in December of N.A.I.C. at Los Angeles and consists of representatives from Michigan, California, Minnesota, New Jersey and New York and three industry representatives, C. O. Pauley, H. & A. Underwriters Conference; T. P. Schwarz, Standard Accident, representing Bureau of A. & H. Underwriters, and M. A. Ellis, Metropolitan Life, representing the independents.

Interprets "in Advance"

The U. S. court of appeals, eighth circuit, has reversed the western Missouri federal court and held that an A. & H. policy providing for higher benefits if premiums are paid "in advance" means that these premiums must be paid for a full year in advance, and not at some time during or at the end of the year. Payments under the disputed policy were made quarterly. The case, Hobbs vs. Mutual Benefit H. & A., is reported in 14 CCH (Life) 723.

The plaintiff had contended that payment "in advance" meant payment at any time during the quarter.

N. E. Wis. Assn. Meets

The recently organized Northeastern Wisconsin A. & H. Underwriters Assn. held a charter meeting at Green Bay. W. H. Hanrahan, Business Men's Assurance, is president; R. H. Knuth, North American Life & Casualty, vice-president; and S. K. Ross, Woodmen Accident, secretary.

Burk N. W. Wis. President

A charter meeting of Northwestern Wisconsin Assn. of A. & H. Underwriters was held at Eau Claire. Officers are Spencer A. Burk, Continental Casualty, president; Gibson Wright, Continental Casualty, vice-president; Roy Bye, North American Life & Cas-

ualty, secretary, and Robert Buttenhoff, Lutheran Mutual, treasurer. Mr. Burke outlined the purposes of A. & H. associations on local, state and national levels.

Vogel Has A. & H. Clinic

An A. & H. clinic was held by the William S. Vogel agency at Newark, with Christopher F. Lee, manager of the A. & H. department of Columbian National Life, as speaker. Fifty brokers and agents attended the clinic and luncheon.

FSA Report Plugs Health Plan

WASHINGTON—Oscar Ewing, federal security administrator, put in another plug for national health insurance in his annual report, recently released. As regards that subject, arguments about which "ran the full gamut of free speech," Ewing concluded:

"The conviction stands that national

WANT ADS

Rates \$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office — 175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER
Life Insurance Edition

C. L. U. OPPORTUNITY

A Billion Dollar Life Insurance Company has a Position open for a qualified ASSISTANT MANAGER—to assist in recruiting and training general agents, brokers and agents.

Excellent Opportunity — Salary open—Plus commission and Bonus—

Please give qualifications and background — Correspondence absolutely confidential —

Address D-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED
MANAGER FOR ALBUQUERQUE
ORDINARY AGENCY

Established Company wants manager for going agency in Albuquerque, New Mexico. Ordinary only. Excellent territory, prosperous, wonderful opportunity.

Give complete background in letter of application, picture, references. Our Albuquerque agents know of this ad.

Address D-44, The National Underwriter Magazine, 175 West Jackson Blvd., Chicago 4, Illinois.

MINNESOTA SUPERVISOR WANTED

State office in Minneapolis of eastern life, health and accident company needs an experienced supervisor—University graduate—Splendid opportunity for advancement to managerial ranks—Salary and commission. This is a genuine opportunity. Address D-72, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Position in General Agency or Home Office in Southeastern States. 29 years experience in home offices and 7 years in a general agency. Experience includes positions of Mortgage Dept. Mgr., Ordinary Dept. Mgr., Accountant and Bookkeeper. Address D-74, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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health insurance is the best way yet devised to prepay the cost of medical care and make adequate medical services widely available . . . without jeopardizing the traditional responsibilities of anyone—the doctors, the people, or their government officials."

The report noted that "one of the most significant revelations of the congressional hearings" on social security act amendments, now law, "was the forceful support of social insurance by spokesmen for labor, management, and the public."

Pittsburgh Day A. & H. Forum Setup Announced

Carl A. Ernst, North American Life & Casualty, St. Paul, vice-president International Assn. of A. & H. Underwriters, will speak at the A. & H. forum of Pittsburgh Insurance Day, Feb. 27.

R. C. O'Connor, assistant vice-president of Reliance Life, will be moderator of that forum. The panel will include I. A. Cohen, leading A. & H. producer of Reliance; Saul Frankel, Philadelphia Life, president Pittsburgh Assn. of A. & H. Underwriters; John R. Hawkins, sales director Hale & Hale agency of Mutual Benefit H. & A.; David H. Kelly, district manager of American Health, and Gordon Williams, Loyal Protective Life.

Extend Health Plan Study

WASHINGTON—The Senate committee on labor and welfare has approved a budget of \$50,000 for its subcommittee on health, which was recently granted by the Senate an extension of time to complete its study of voluntary health plans.

Kendall Named Statistician

Thomas A. Kendall has been appointed statistician of H. & A. Underwriters Conference. He joined the conference staff about seven months ago after completing his four-year course at Northwestern University. He was in the army for three years before entering Northwestern.

W. F. Double at Milwaukee

William F. Double, Milwaukee attorney who specializes in business and estate insurance, discussed the place of A. & H. coverage in business insurance at the February luncheon meeting of A. & H. Underwriters of Milwaukee. President Alex H. Seigner, Business Men's Assurance, announced plans for a delegation to attend the annual sales congress of the Chicago A. & H. Assn. Feb. 20.

Victory Mutual Writes A. & H.

Victory Mutual Life, Chicago Negro company, has started writing individual A. & H. business. It is issuing straight accident, accident and health with hospital rider, which is offered on a very attractive basis, and family group hospitalization policies. All are on the annual premium basis, but arrangements may be made for payment on monthly installments. They will be pushed in all states in which the company operates, including New York.

Ernst Speaks at Philadelphia

Carl A. Ernst, vice-president of International Assn. of A. & H. Underwriters, will address A. & H. Assn. of Philadelphia on Feb. 28. The association is inaugurating a group disability plan underwritten by Standard Accident. Mr. Ernst is manager at St. Paul for North American Life & Casualty.

Issues Family Health Booklet

WASHINGTON—U. S. Chamber of Commerce has released a booklet entitled "Benefits and Costs of Individual and Family Health Insurance Policies," written by A. L. Kirkpatrick, manager of the chamber's insurance department, and Benjamin B.

Kendrick, research associate Life Insurance Assn.

The booklet is a study based upon data obtained leading companies and fraternal. Two full page charts illustrate features contained in the most popular forms of policies issued.

A bill in the North Dakota legislature requires the "small print" in health policies be made to stand out and that any exceptions to the policy coverage be printed in red ink with the balance of the policy in green, black or blue ink.

Health insurance premiums would be deductible from the state income tax under a bill introduced in the Minnesota legislature.

D.C. Carpenters Covered for \$5 Million in Prudential

WASHINGTON—The trustees of a trust fund resulting from a collective bargaining agreement between contractor employers in this area and the Council District of Columbia Council of Carpenters & Joiners of America have awarded a contract to Prudential for \$1,000 group life coverage and \$1,000 group accidental death and dismemberment coverage on between 5,000 and 6,000 union carpenters.

Agency Breaks Gulf Record

The Lowry agencies of Gulf Life in Tampa, Miami, St. Petersburg and Orlando, during 1950 established a new record for agencies of the company by paying for \$12,192,005 in new business. Leading producer was David G. Berry, Miami. Of the total paid for by the agency \$7,139,500 was in group insurance and leading group producer for the agency and for Gulf Life was Edward L. Arthur, Tampa.

L.A.A. Committees Named

Personnel of five standing committees of Life Insurance Advertisers Assn. has been announced by Robert B. Taylor, president. Chairmen are: Research projects, A. L. Cawthorn-Page, manager Canadian publicity division Metropolitan Life; press, John L. Lobinger, Jr., advertising assistant Phoenix Mutual; membership, Henry S. Jacobs, superintendent of service Equitable Life of Iowa; institutional relations, H. G. Kenagy, vice-president Mutual Benefit Life; standards of practice, C. Russell Noyes, advertising manager Phoenix Mutual.

Back Two N. C. Bills

RALEIGH—Pilot Life and Jefferson Standard are backing two measures now under consideration by the North Carolina legislature.

One would give a trustee of an employees' pension plan an insurable interest in the lives of the employees covered by the plan, with the proviso that policies conform with purposes of the plan.

The other would amend the statute relating to group A. & H. policies to allow agents to participate in group plans set up by their companies. At present, only employees may participate in such plans.

Broadens Anti-Inflation Fight

A broad program to use at the grass roots level in widening public knowledge and stimulating action to combat inflation is being presented this week to the life companies by Institute of Life Insurance. The program offers material for policyholders, employees and agents, showing what the individual can do to fight inflation. It also gives a compact picture of what the business has been doing on the inflation front since July.

President Thomas E. Lovejoy of Manhattan Life was moderator of a panel on mortgage lending in the military economy conducted at New York by the Mortgage Bankers Assn. of America.

NUMBER TWO in a series of advertisements outlining advantages enjoyed by field underwriters of the Equitable Life of Iowa

TRAINED FOR SUCCESS

Field underwriters of the Equitable Life of Iowa are expertly trained. New associates are enrolled in a combined study and field project known as the Basic Training Course. The next step in the training process is attendance at a Home Office School. Then follow two Intermediate Training Courses featuring estate plans, business insurance fundamentals and programming. Cooperation is given eligible associates in their attainment of the Chartered Life Underwriter designation. Continuous personal supervision is given to the training progress of all recruits.



EQUITABLE
Life Insurance Company
OF IOWA

FOUNDED IN 1867 IN DES MOINES



acceptable.. Pacific Mutual's complete personal protection plans ARE acceptable—more acceptable; to the agent who takes pride in his service, and to the prospect who seeks real security. One reason—they include ACCIDENT & SICKNESS DISABILITY INCOME.

Pacific Mutual

LIFE INSURANCE COMPANY

HOME OFFICE—LOS ANGELES, CALIF.
Doing business only through General Agencies located in 40 states and the District of Columbia





SUMMARY 64th ANNUAL REPORT 1950

INSURANCE IN FORCE.....	\$1,309,344,457
(Including Deferred Annuities)	
NEW INSURANCE.....	179,857,342
(Including Deferred Annuities)	
INCOME	75,691,975
ASSETS	413,855,443
LIABILITIES	388,222,034
CONTINGENCY RESERVE AND SURPLUS	25,633,409

Payments to Policyholders and Beneficiaries since the inception of the Company total \$436,306,170

THE
MANUFACTURERS
INSURANCE **LIFE** COMPANY
HEAD OFFICE • TORONTO, CANADA

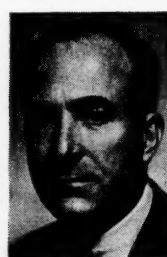
AMONG COMPANY MEN

Old Line Advances Veteran Officers

MILWAUKEE—Old Line Life has advanced four officers who have spent their entire business careers with the company. Warren J. Moore, secretary,



W. J. Moore



M. F. Ryan

and M. F. Ryan, treasurer, have been elected vice-presidents. R. H. Casper has been advanced from assistant secretary to secretary. A. E. Pahlow was named treasurer.

Mr. Moore, who also was elected a director, joined the company 37 years



R. H. Casper



A. E. Pahlow

ago and became office manager, assistant secretary in 1923 and secretary in 1934.

Mr. Ryan joined the company 36 years ago, advanced from cashier to assistant treasurer in 1923 and became treasurer in 1934 and a director in 1946.

Mr. Casper has been with the company 31 years, was in the actuarial department and was elected assistant secretary in 1934. Mr. Pahlow was elected assistant treasurer in 1934 and has been 30 years in the treasurer's department.

Gsell Sales Director for Iowa Farm Bureau Group

Claire Gsell, formerly regional sales supervisor for Iowa Farm Mutual and Iowa Life, has been appointed sales director, succeeding W. C. Niebuhr, who has retired. Mr. Niebuhr had served as sales director for the Iowa farm bureau companies since 1948. Mr. Gsell had been serving in southeastern Iowa for the companies.

Wayne Smith, formerly supervisor of the home office sales department, has been appointed assistant to the sales director and in addition will handle promotional and publicity work. He joined the companies in 1948 and formerly was with another company as advertising manager.

Herb Deason has been appointed regional sales supervisor for southeastern Iowa, succeeding Mr. Gsell. Paul Siedenburgh also has been appointed regional sales supervisor for southwestern Iowa, succeeding Jesse Bishop, who is resigning effective March 1.

New West Coast Directors

Paul F. Pfueger and Ralph R. Nelson have been named directors of West Coast Life to fill the vacancies created by the deaths of Gordon W. Thomson and Charles H. Lamberton. Mr. Pfueger is a member of Pfueger & Baerwald,

investment bankers, and Mr. Nelson is consulting actuary for the San Francisco city, county and state retirement systems.

Occidental Life Promotes Carnal, Jenkins, DuMoe

Occidental has named J. Edward Carnal western and southern division manager and Gordon V. Jenkins administrative assistant. Joseph T. DuMoe, in addition to his present duties, will supervise brokerage.

Mr. Carnal has been with the company for 15 years and has served as head of its brokerage operation in Chicago. Mr. Jenkins started in insurance with Occidental in 1936 and most recently has been an assistant division manager. Mr. DuMoe has been with the company since 1937 and has had extensive field experience.

Noll, Fairbanks in N. Y. Life Group Positions

New York Life has appointed Anthony F. Noll, Jr., group sales supervisor and Guy L. Fairbanks, Jr., associate group underwriter. Mr. Noll graduated from Boston and Brown universities and joined the group department of John Hancock in 1945. He became sales manager of the New York group office. He also served as assistant group sales manager at the home office and as group manager at St. Louis.

Mr. Fairbanks was educated at University of Redlands and Iowa State University. He went with Equitable Society as an actuarial student in 1940. In 1947 he joined Cosgrove & Co., Los Angeles.

New Officers Designated By Ohio National Life

Ohio National has named John M. Sanning assistant secretary, Robert M. Kidd underwriting secretary, and Howard Walmsley assistant actuary.

Mr. Sanning was graduated from the University of Cincinnati in 1932 and joined the company the following year. He became assistant manager of the policyholders service department in 1943, manager in 1944, and personnel director in 1950, in which capacity he will continue.

Mr. Kidd has an M.A. degree from the University of Michigan and in 1949 joined the company as an actuarial assistant. Following army service, he



R. M. Kidd



Howard Walmsley

entered the underwriting department. He became manager of the selection and issue department in 1949.

Mr. Walmsley is a graduate of Oberlin. He served in the army and in 1947 joined Ohio National. A year ago he was made assistant manager of the actuarial change department.

Ellis W. Gladwin has joined the home office staff of Connecticut Mutual as a correspondence consultant.

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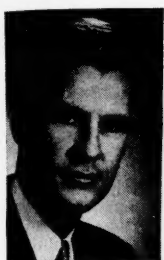
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NEWS OF LIFE COMPANIES

Sanborn Heads Reorganized St. Paul Company

Modern Life of St. Paul has been reorganized as North Central Insurance Co. and Executive Vice-president Theodore S. Sanborn has been advanced to president, succeeding Arthur E. Reiter,



T. S. Sanborn



S. F. Miller, Jr.

while Stanley F. Miller, Jr. becomes vice-president in addition to being secretary. The company will concentrate in five north central states, a major reason being the greater longevity of the residents of Minnesota, North Dakota, South Dakota, Iowa and Nebraska. Surplus has been more than doubled by reinsurance of 3½% reserve business in force.

New directors are H. E. Cammack, secretary of Crescent Creamery Co., R. H. Bancroft, corporate secretary of St. Paul Fire & Marine group, and W. F. Davidson, commercial real estate operator in St. Paul.

Mr. Sanborn, the new president, is 30 years old. He entered life insurance in 1945 with Minnesota Mutual. The following year he was one of the leaders in the Minneapolis agency, and was given supervisory responsibilities in training and recruiting. Later that year he joined his present company as agency supervisor. He is a graduate of the Purdue course and the L.I.A.M.A. school. For two years he has headed the St. Paul L.U.T.C. committee and is now Minnesota L.U.T.C. chairman.

Missouri Farm Bureau Record

Missouri Farm Bureau Life closed its first year with \$10 million in written business, it was announced at the annual midwinter conference at Jefferson City of the 125 agents of the Missouri Farm Bureau companies. The new company has just started writing 20-pay life, endowment at 65 and 20-year endowment policies with a line of term riders.

Speakers at the life sessions of the Missouri meeting, which was under the direction of Albert M. Ludwig, manager of the life company, included Charles Blaylock, assistant manager; Richard Hornbeck, general agent for LaSalle county for Country Life of Illinois; Joe Capps, general agent for Clay county, Mo.; R. W. Osler, vice-president of Rough Notes Co.; Ernest LaGrande, sales director.

On Advisory Committee

New members of the general agents' advisory committee of Connecticut Mutual Life, elected for a two-year term, are Melzar C. Jones, Los Angeles; Halsey D. Josephson, New York, and Norris E. Williamson, Denver.

Mura N. E. Mutual Winner

New England Mutual Life has awarded its president's trophy for 1950 to the Edward G. Mura agency of Kansas City. The award is made annually to the branch which is adjudged outstanding in five important agency-building objectives. The agency's paid new business was nearly \$6 million, up 71.5%. Runners-up were Hays & Bradstreet, Los Angeles; Huppeler,

New York; Moore & Haines, Philadelphia; Seattle and Worcester.

James A. Thompson, Seattle, has been chosen the company's "Rookie of the Year" for 1950. He rated highest in eight categories, and was selected from a roster of 58 first-year members of the Leaders Club. Runner-up was William M. Shelton, Jr., Los Angeles.

Capitol Enters Hawaii

Capitol Life has been licensed in Hawaii and has appointed Richard T. Ariyoshi as manager at Honolulu. Mr. Ariyoshi has been an agent there for seven years.

For the third consecutive month Great-West Life sales have broken all previous records. In January, total new business of \$30,575,382 exceeded the previous record month by more than \$4 million.

Republic National Life has been licensed in Louisiana, Arizona and Utah.

Bankers H. & L. of Macon has purchased the building now occupied by Citizens & Southern National Bank, Savannah, Ga. The company plans extensive remodeling before occupancy.

Actuaries' Club to Meet

Middle Atlantic Actuarial Club will hold its winter meeting at Washington on Feb. 16. Valentine Howell, president of the Society of Actuaries, will lead a discussion on "The Society of Actuaries." Other topics of discussion will be "War Clauses," led by Lloyd K. Crippen, vice-president and actuary of Acacia Mutual Life, and "Insurance Mortality" led by Arthur B. Ambler, assistant actuary of Acacia Mutual Life.

Zone 4 Raters to Meet

The meeting of Zone 4 commissioners at Des Moines March 29-30 will be preceded by two meetings of the zone department men. On Feb. 26-28, the rating units from the zone 4 group covering casualty, automobile, fire, inland marine, life and A. & H. will meet at Chicago in the offices of National Assn. of Insurance Commissioners, and the examiners of Zone 4 will meet at Des Moines, March 28-30.

Catterall Heads Va. Commission

RICHMOND, VA.—Ralph T. Catterall, who succeeded L. McCarthy Downs in 1949 as a member of the Virginia state corporation commission, has taken over as commission chairman for the first time. He succeeds W. Marshall King. The post of chairman rotates annually among the three members. Judge H. Lester Hooker is the third member.

\$21 Million in 1950 T.D.B. Benefits

Payments under the New Jersey disability benefits law totalled \$21½ million in 1950 compared with \$16 million in 1949. Of that amount, \$11½ million were paid by private companies, \$5 million by self-insured plans and another \$5 million by the state plan and the unemployed sick section of law. The unemployment security division said that the increase in 1950 may be accounted for by the increased public awareness of the program.

Charles J. King of Kansas City has been elected president of National Associates of Mutual Benefit Life. Sidney Weil, Cincinnati, is vice-president. The group is composed of the top 25 soliciting agents of the company, plus general agents who qualify on their personal production. Mr. King is a life and qualifying member of the group. Life membership may be obtained by qualifying three times in a five-year period.

The League of Life Insurance Women heard Miss Dorcas Campbell, assistant

vice-president of East River Savings Bank, at its February meeting in New York City.

Raleigh C.L.U.'s Organize

A Raleigh C.L.U. chapter has been organized, with John Pasco as presi-

dent, George Elliott as vice-president, and Harry R. Randall as secretary. J. C. Smither, Jr., vice-president of the American Society, attended the organization meeting, which was called by Commissioner Cheek. Mr. Smither said there now are 78 local C.L.U. chapters with 2,300 members.

At the completion of nearly a century of service to our policyholders, the Berkshire proudly looks back upon a consistent record of achievement reflecting stability, integrity and strength. We are eagerly looking forward to an ever-increasing extension of excellent service to our policyholders. In our 100th Year we have increased our opportunity to serve our policyholders by adding to our comprehensive line of modern LIFE policies, attractive ACCIDENT & HEALTH plans.

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NEWS OF LIFE ASSOCIATIONS

Sales Congress Follows Kansas Annual May 11

Kansas Assn. of Life Underwriters will hold its annual meeting May 11 at Topeka, with the sales congress the next day. A membership goal of 800 has been set for the year with an award to go to the local association that reports the largest percent of renewals and greatest gain in new members.

To Issue Minn. Quarterly

Minnesota State Assn. of Life Underwriters will issue quarterly a new publication to be known as MALU News. It will be edited by Norvy Mulligan, chairman of the public relations committee, and manager at Minneapolis for Occidental Life.

The annual dinner of Northern New Jersey Life Underwriters Assn. will be held on February 14 with the attendance expected to exceed 300.

Clancy D. Connell, Provident Mutual, New York City, will speak. He is past president of N.A.L.U.

New York City Life Underwriters Assn. will conduct its annual sales congress at the Hotel Statler, March 8. Chairman of the meeting is Lambert M. Huppeler, general agent of New England Mutual.

The program will consist of two principal speakers and two panels consisting of four persons each. One of the speakers will be John D. Moynahan, Metropolitan Life, Berwyn, Ill., president of N.A.L.U.

Charleston, S. C.—Roger Bourland, director of ordinary agencies for Liberty Life, said that the need for money in the future is creating a new appreciation for life insurance since widows and old people are no longer able to live on part-time incomes or social security payments.

Asbury Park, N. J.—General Agent H. O. Rasmussen of Penn Mutual at Newark will speak at the Feb. 16 meeting of the Monmouth county association on "Characteristics of the Successful Agent."

Pittsburgh—Russell B. Knapp, Youngman agency of Mutual Benefit Life, New York City, will speak at the Feb. 15 meeting on "More Money for Today's Spending."

Denver—Richard S. Rust, Sr., vice-president and secretary of Union Central Life, discussed the underwriting of risks with a history of drinking.

Oklahoma City—George Summy, Oklahoma manager for Phoenix Mutual Life,

was honored at a joint meeting of the association and the chamber of commerce. The occasion was the celebration of Mr. Summy's 36th year as manager there. D. Gordon Hunter, vice-president of Phoenix Mutual, spoke.

Lexington, Ky.—Morgan O. Woodward, Louisville, state manager of ordinary sales for Prudential, spoke.

Montreal—Lusk G. Hardy, Imperial Life of Canada, spoke on "The Easy Way to Work."

Toronto—D. A. Barton, Excelsior Life, has been elected president. Vice-presidents are G. Stuart Allen, London Life, and J. D. Mingay, Prudential of England; treasurer, G. E. Thomas, Great-West.

Bloomington, Ind.—"We're doing too much selling today on the basis of the head instead of the heart," Alden C. Palmer, R. & R. Service, said at a luncheon meeting. It's easier to sell to the head, he said, because less work is entailed in presenting figures. He pointed out, however, that a presentation to the heart will bring more sales.

Chanute, Kan.—Herbert E. Walters, assistant district manager here for Prudential, is the new president of the Allen-Neosho association.

Hutchinson, Kan.—Dr. Ralph J. Gampell of San Francisco, formerly of England, spoke on socialized medicine in England. The meeting was held jointly with the Reno County Medical Society and the Hutchinson Dental Study Club. The Hutchinson association sponsored a display in a show window of the Kansas Power & Light Co. based on the association code of ethics, the distribution of benefit payments and the investment of life insurance assets.

Orlando, Fla.—Recent social security and revenue legislation has been a boon to the life insurance agent, Isaac Kibrick, New York Life, Brockton, Mass., told the Central Florida association.

Sheboygan, Wis.—Roman Wagner, Bankers Life, discussed gratuitous indemnity measures being proposed for service men. The association has purchased life insurance films from the University of Illinois and they are to be shown in schools and before various local organizations. Plans were announced for a joint meeting with the Manitowoc association in April.

George G. Perrin, recently retired general counsel of Modern Woodmen of America and immediate past president of National Fraternal Congress, plans to take a trip through the Mediterranean to the Holy Land soon.

Security Mutual of Binghamton is drawing up plans to provide shelter for occupants of its home office should the city be affected by some war action.

SALES IDEAS OF THE WEEK

Read a Good Trade Journal, Schick Tells Salesmen

Every life insurance man should read regularly one good trade journal, Albert Schick, educational specialist for Prudential, declared at a luncheon of Hudson County Life Underwriters Assn. at Jersey City. Men of all professions feel it is an obligation to keep up to date through their reading. There are many publications to read and time control is essential, so the busy life insurance man should select one good publication. If he does not care to invest the full price in an annual subscription, he can club together with three or four associates and pass the magazine around, the speaker said.

Mr. Schick described two practical solutions to business insurance cases where one of the partners or members of a close corporation is uninsurable. The first method is to establish a sinking fund, apart from the firm and the usual business reserve, into which annual deposits are made in amounts at least equal to the premium payments that would have to have been made if the man were insurable. The sinking fund accumulation can serve as a down payment on the uninsurable partner's interest upon his death. Mr. Schick explained. Arrangements are also made beforehand through a series of notes with the payment of the balance over a period of time. Chances are that the full purchase price will not be accumulated at the time of death.

"We know this isn't so satisfactory as the life insurance plan, but only through life insurance can we be sure that the full purchase price will be available, regardless of how short a time has elapsed when one of the partners dies. Nevertheless, the sinking fund idea coupled with insurance on the lives of the insurable partners provides the maximum protection that the circumstances permit," he declared.

Deferred Annuity Route

The second method the speaker described as being equally as good and perhaps better in some certain situations. In this case, instead of a cash sinking fund for the uninsurable partner, a deferred annuity contract, the so-called retirement annuity, is used. The annual payments accumulate a cash sinking fund which can be used as a down payment to buy out the uninsurable partner's interest at death. Since the money is on deposit with a life insurance company, entirely apart from the business itself, it is less likely to be used to meet temporary needs. The fund earns interest and problems of investing and reinvesting are eliminated.

Where this plan has been used it has been found effective to suggest that if the uninsurable partner later becomes insurable, there is a possibility of converting to a life insurance policy at the original age, Mr. Schick declared. If the life insurance company will do this, the chances are that the prospect will consider the whole plan most favorably. Many business insurance cases have been lost because the agent presented life insurance as the only solution to the problem and then when it was found that life insurance could not be obtained on one partner, the plan collapsed.

Exchange Old Policies

Addressing the Indianapolis Assn. of Life Underwriters, Earl Schwemm, manager of Great-West Life in Chicago, commented that the clue to business insurance to close corporations or partnerships is selling on the basis of exchanging old policies in effect for new ones. The business is usually only interested in indemnification and the value of the old contracts, if taken by

the individuals concerned, is considerable, he declared.

Commenting on programming, the speaker stressed the great responsibility because of the option tables and stated that no old policy should be paid out in cash, which of course opens the door to new insurance for such purposes as clean-up.

Ark. Companies, Managers Oppose Qualification Bill; State Association for It

Little Rock General Agents & Managers Assn. has lined up with the Arkansas companies in refusing to join Arkansas Assn. of Life Underwriters in its support of an agents qualification measure along the lines of the N.A.L.U. model bill. The companies are fighting a bill in the legislature which would double the premium tax and took the position that all the effort of insurance interests should be centered on the opposition to that bill. The managers group joined in recommending that the qualification bill not be presented because the time is inopportune. There was also some opposition in that group to the idea of a written examination before license.

Foster Vineyard, Aetna Life, chairman of the state law and legislation committee of the state association, announced that he was resigning that post and also from the similar committee of the National association and as liaison contact for Arkansas for company associations. Pratt C. Remmell, Mutual Benefit, new president of the managers association, will act as chairman of its legislative committee.

Wis. Congress Mar. 10

The Wisconsin Fraternal Congress will hold its annual meeting in Milwaukee Mar. 10. Sessions will be at the Ambassador hotel. Scheduled on the program, according to H. Gordon Pope, Equitable Reserve, Neenah, president of the congress, are addresses by C. F. Lawler, president of the Milwaukee Fraternal Underwriters; who will deliver the address of welcome; Dr. R. E. Henning, medical director of Equitable Reserve, speaking on "The Underwriting Aspects of Heart Disease"; J. P. Stock, president of Macabees and of the National Fraternal Congress; J. R. Lange, Wisconsin commissioner; and R. W. Osler, vice-president Rough Notes.

A LEGAL reserve fraternal life insurance society for all Lutherans. Thirty-two years old — \$283,878,841.00 in force. Mortality experience 1949 15.95%. Rate of assets to liabilities — 109.09%.

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PERTINENT STATISTICS

ASSETS Over \$133,000,000
INSURANCE IN FORCE Over \$554,000,000
BENEFITS PAID SINCE 1902 Over \$ 58,000,000

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Seek Higher N. Y. Limits on Juvenile, Weekly Premium

(CONTINUED FROM PAGE 1)

doctor bills that accompany a final illness.

Companies testified that underwriting rules operated to prevent excess insurance on children. They also said that uniformity of practice would be of great administrative aid.

The committee received many proposals, all for the increase. No particular suggestion made significant progress.

The witnesses included Charles G. Dougherty and Francis M. Smith, vice-presidents of Metropolitan Life; Pearce Shepherd, vice-president of Prudential; T. Frederick Brunton, vice-president of John Hancock; Richard B. Evans, president of Colonial Life; Foster F. Farrell, secretary-treasurer-manager National Fraternal Congress; and Stanley C. Collins, agent of Metropolitan Life in Buffalo.

There were no ordinary companies testifying on the need for the juvenile revision.

Approved by Department

In expressing approval of revised juvenile limits, Mr. Bohlinger said that the limits were first adopted because of fear of infanticide, perhaps never a valid reason, and subsequently continued to encourage the breadwinner to carry more insurance on himself, and to maintain a balance between his insurance and the coverage on his children.

He presented figures prepared by the department which showed that for a 20-cent weekly premium, juvenile, age 1, \$100 of protection could be put in force on a child in New York whereas for the same premium he could get \$160 coverage outside the state where the limits are not in effect. The statute causes similar discrepancies to occur at other ages, he said. Consequently the present limits discriminate against New York residents.

Mr. Friedman, who was most adept at interrogating and fencing with witnesses, asked: "Why should insurance companies want to give more insurance for the same premium? Is this logical? Maybe if you pass this information on to them they'll withdraw their proposal."

WEEKLY LIMIT

To support their request for increasing the \$1,000 limit on weekly premium insurance to at least \$1,500 or perhaps \$2,000 the companies argued that inflation has roughly doubled the expenses of last illness and burial since the \$1,000 limit was enacted in 1939.

The other principal points advanced by the insurers for raising the \$1,000 weekly premium maximum were:

1. The restrictions frequently result in many persons in the industrial group having an inadequate amount of insurance, less than they would have but for the restrictions.

2. Agency operations, underwriting rules and inspection procedures guard against "overloading" the insured with weekly premium coverage.

3. There are some policyholders even in a period of prosperity who either cannot or will not buy insurance on other than a weekly premium basis. Said Mr. Dougherty: "These people are budgeted on a weekly basis. They are paid weekly. All deductions from salary such as social security, taxes and contributions for group insurance expenses are deducted weekly. Their food bills and almost all other expenses are incurred weekly. They want to pay their insurance premiums weekly and will not buy any other way."

Hurts Industrial Class

4. "Inflation has made the present law discriminatory against individuals who can, over a period of time, purchase a series of weekly premium policies in comparatively small amounts. A man with several policies aggregating \$750

or \$1,000 cannot increase his insurance to what he thinks would be more adequate under existing conditions on a weekly premium basis. Experience has shown that if he cannot pay for it on a weekly basis, he will not buy it. He is being deprived of the right to buy a more adequate amount of insurance, a right not denied to the more prosperous who are in a position to buy ordinary."

5. No other state but New York has a limit on the amount of weekly premium life which may be kept in force on any individual. Mr. Shepherd brought out that the Prudential has increased to \$1,500 the weekly premium limit it will write outside New York between ages 10 and 60.

Wage Stabilization Effect

6. Wage stabilization and defense mobilization will put a "freeze" on a large number of white collar and other workers, Mr. Brunton reported, reading a letter from Paul F. Clark, president of his company. The letter said: "An increasing number of these people will find it necessary to buy weekly premium insurance to provide themselves with adequate coverage, who might otherwise under normal circumstances purchase monthly or regular ordinary insurance."

7. Premiums collected for any form of life insurance will be one of the most effective anti-inflationary vehicles offered to take up such surplus cash in the hands of the public as will become increasingly available.

SENATORIAL OBJECTIONS

A great many objections to increasing the weekly premium limits were raised by Senator Friedman. He argued that its lapse rate was very high and that these lapses had contributed greatly to companies' surpluses. He backed up the latter assertion with figures from a 1938-39 legislative report on industrial business in the state. The insurance is more expensive than other kinds, he said, and there is danger that the insured will be overloaded with it. Monthly premium industrial or ordinary business would be better. He also argued that commission schedules, according to the 11-year old legislative report, en-

courage the sale of weekly premium over the other forms. Finally, he wanted to know "How do companies enforce the \$1,000 maximum?"

Messrs. Dougherty and Smith brought out that the high lapse rates mentioned in the legislative reports of the late 1930s were brought about as the result of the depression. In 1932 the Metropolitan's weekly premium lapse rate measured by premiums in force was 18.7%; its first calendar year lapse rate based on number of policies was 32%. Its 3-year lapse rate in 1935 was 42.6%. Today the in-force weekly premium lapse rate is 3.83% compared with an ordinary lapse rate of 2.32%.

Great advances have been made in field compensation and underwriting that have improved these depression era conditions and would forestall a repeat performance.

The excess net cost of weekly premium over ordinary amounts to about 15% of the weekly premium and when the 10% refund for direct payment of premiums to a district office is taken into consideration, the differential is reduced to about 5%. About one-third of Metropolitan's weekly premium business is on the direct payment basis.

No Overloading Found

There is no overloading of weekly premium on the policyholder outside New York where there are no limits, that company's witnesses said. A 1948 study conducted by Metropolitan outside of New York showed only 10% of weekly premium cases involved more than \$1,000 and in only 2% of the cases was the total more than \$1,500. Although this is a small percentage of weekly premium business, it represents a substantial group of people whose insurance needs should not be ignored.

Although agents get a 12% collection fee on weekly premium and only 6% on the monthly premium business, they sell larger amounts on a monthly basis which equalizes the amount received and removes any inducement to sell weekly premium business.

Considering that the policyholder gets the agent's service, the cost differential between weekly premium and ordinary is not very great.

Mr. Friedman's repeated queries about

company surplus gains due to lapses led to an elaborate discussion of new non-forfeiture benefits in industrial policies of different types.

At this point in the testimony, Mr. Friedman managed to cloud up the day's proceedings by injecting the relation of the weekly premium maximum to the juvenile maximum. This combination had witnesses and committeemen in somewhat of a haze as to whether they were asking or answering questions on the juvenile or weekly premium maximums.

The testimony was lightened by the mention of Senators Condon and Friedman that both happened to have life insurance agency offices as tenants in rooms adjacent to their law suites. On occasions, they said, they had overheard the goings on at weekly agency meetings since the wall partitions were not very heavy. This led into a further discussion of commission rates and the "pushing" of weekly premium insurance.

Too Much? Not Enough

Mr. Smith said he was afraid that agents were not paying enough attention to the small policyholder who could pay for his insurance on a weekly premium basis and that, on the contrary, he thought the weekly premium prospect was being solicited less than should.

Company inspection practices curtail if they do not prevent violations of the \$1,000 limit. Besides, he said, monthly debit business is increasing. Weekly premium coverage in the last 20 years has been on the decline. In Metropolitan it has decreased 25 to 30% since 1930. Also when an inspection suggests the step, a weekly premium policy may be sent back to the agent with an inquiry as to why he did not write it on a monthly basis or as an ordinary policy.

Mr. Friedman wanted to know how many juvenile industrial policies matured as claims. Mr. Smith promised to get him the figures. Mr. Friedman was concerned that if the weekly premium limit were increased agents selling juvenile on several children as well as insurance on the wife might overload the breadwinner with it.

METHODS IMPROVED

A great many improvements have been put into effect in combination company procedures in the last 15 to 20 years, said Mr. Evans, pointing out that

IT WAS IN 1883

MANY A LAD WORE HIGH BOOTS WHICH HE KEPT
"GREASED UP" IN THE WINTERTIME



THAT WAS THE YEAR MODERN WOODMEN OF AMERICA WAS ESTABLISHED

What Modern Woodmen Has Done in its 68 Years

- 1 Rendered faithful service to millions of insureds and beneficiaries.
- 2 Paid more than \$745 million in benefits.
- 3 Has established a record of prompt payment seldom equaled in the life insurance field.
- 4 Grown until assets now exceed \$160 million in a strong investment portfolio.
- 5 Has always kept abreast of the times . . . now issues more than 25 certificate forms . . . covering the insurance needs of every member of the family from birth to age 60.
- 6 Developed a training program for insurance counselors . . . schooled in the facts and applications of life insurance . . . they are qualified to give advice which is invaluable in scheduling a life insurance program.



MODERN WOODMEN OF AMERICA
ROCK ISLAND, ILLINOIS

management and agency methods are far superior to what they were. Approximately 25% of Colonial's business is inspected after issue, he said. This figure may be around 40% in more populous areas. He found no more tendency to overload weekly premium business on the policyholder outside New York than

in it. Sometimes his company's inspectors find that policyholders have been sold ordinary when the agent should have sold weekly premium. He outlined the improvements made in curtailing lapses, in training agency managers, supervisors, and agents, in internal underwriting and other factors tending toward progress in this field. He mentioned also that there is a relation of the lapse rate to economic conditions. Weekly premium business has a greater lapse rate than other forms, since it has 52 exposures a year to it, he explained. He also said that a rated industrial case frequently provides higher benefits, for example, on physical impairment and certain occupational hazards, than rated ordinary policies.

Mr. Collins related some of his experiences on his debit, arguing that with some people an agent must collect once a week on payday and frequently get there first or not collect at all. Many people still must buy their insurance this way, he said. Some people buy coal by the bushel, he mentioned, but they couldn't afford to buy it by the ton. Why freeze them to death? Mr. Friedman said he did not see the analogy. He said that they may need more space to put in a ton of coal but they don't need it for a larger policy.

Mr. Bohlinger questioned the logic of comparing Metropolitan's weekly premium lapse rate, which had been testified to be lower than the nationwide rate for ordinary, stating that the two things were not comparable. He said that it is not department policy to encourage more expensive insurance since the disastrous experience of the 1930s, and even though things have improved, he could not go along with any increased maximum. He said, mentioning that he felt that companies agreed with him, that even more emphasis could be placed on monthly premium business. For the first 11 months of 1950, 53% of all the industrial business written by Metropolitan was on a monthly premium basis, he declared. This seemed to controvert the need for a change.

In replying to a question by Mr. Rabin as to whether or not carfare to an agency office would absorb the cost difference between weekly premium and ordinary, he said he didn't think that people who made the 52 consecutive premium payments went to the office by streetcar. He said they undoubtedly walk.

He summed up his opinion of the day's testimony as approval of an increase in juvenile limits and opposition to the change in the \$1,000 weekly premium maximum.

experience in applying that portion of the test which (in most cases) requires a five-year record of past earnings. It is proposed that this be modified so that experience under all predecessor forms of organization may be considered provided, that during the last two years such predecessor business shall have been a corporation.

3. It is proposed that the present limitation of holdings of preferred stock in any one corporation be raised from 10% to 25% of such yields outstanding.

4. It is proposed that the limitation on direct investment in industrial and commercial real estate be raised from 3% to 5% of assets.

5. The exclusion of equipment and live stock from consideration in the granting of prime mortgages. The proposal is that purchase of, or extension of credit upon farm equipment and live stock be permitted in cases where such purchase or loans would help to protect the investment in a farm mortgage that might otherwise have to be foreclosed at a loss.

6. Existing provisions exclude leaseholds as security for mortgage loans. It is proposed that leaseholds mortgages be permitted.

Seek Leeway Provision

The companies also are asking the legislature for a leeway provision limited to the lesser of 5% of assets or two-thirds of surplus, with specific restrictions applicable to investments in common stock and loans to small business enterprises, and with a prohibition against speculative investments. The leeway provision would be helpful in reducing delays and lags that otherwise occur in adapting investments to changing conditions, the report says.

The lengthy report, which seems destined to become a New York insurance investment legislator's bible, gives detailed consideration to the proposed amendment to permit investment in common stock. It includes descriptions of provisions designed to insure safety and stability as well as additional considerations tending in that direction. Sections designed to eliminate the possibility of control are analyzed. The chapter concludes with the description of the experience of life companies and other institutions with common stock and an illustration of a hypothetical experience with diversified holdings of common stock.

Help Small Business

The final section is devoted to description of the importance of small business and the need for improved credit facilities for small businessmen. Present statutory obstacles are explored as are the provisions in the proposed amendment designed to insure the safety and stability of loans. The experience of Metropolitan Life with its small corporate loan program is outlined.

To Survey Licensing Plans

The Canadian insurance department plans to conduct a comprehensive survey with respect to licensing and regulation of agents. The survey will also cover the practice of insurers in connection with salaried employees who solicit insurance directly or indirectly.

M.D.R.T. Life Member at 28

Ervin C. Woller of the Alfred Korbel agency for Central Life of Iowa, Milwaukee, has qualified for life membership in the Million Dollar Round Table. At age 28, he may well be the youngest life members. He has been four years in the business.

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ATLANTA

PUSH N.Y. INVESTMENT CHANGES

(CONTINUED FROM PAGE 1)

companies' progressing less rapidly in recent years than the industry as a whole in percent of increase in assets, percent of change in total in force and in new business.

Senator Condon, Yonkers, Republican, committee chairman, presided at the hearing. Paul F. Bleakley, Yonkers, is committee counsel.

Mr. Bleakley asked Mr. Woodward if he wasn't trying to ride on both sides of the fence in stating that 85% of the life company assets are affected by the New York law and, at the same time, asserting that the non-New York companies have an advantage. Mr. Woodward explained that there is a great difference in the "substantial" compliance with the New York Law required of out-of-state companies and the exact compliance required of domestic companies.

It is remotely possible, though unlikely, that you may hear some counsel of inertia or delay. Mr. Woodward informed the committee, stating "some might be lured by the comfort of inaction or repelled by the difficulties associated with change."

"Should the improbable occur, and should you hear such incantations to hibernation, I urge you with the utmost seriousness to reject them," he stated.

Since most of the day had been taken up by discussion of the revision of the juvenile limits and weekly premium maximums, Mr. Woodward was the only investment witness to appear.

A.L.C.—L.I.A. Report

In support of the legislative revisions they are suggesting, American Life Convention and Life Insurance Assn. of America, have submitted to the committee a 158-page book, including 29 statistical charts, containing data supporting the need for the changes. The lack of supporting documents was one of the reasons why some of the changes were not accorded a hearing in 1950.

With the exception of a leeway provision, the suggested changes involve liberalization of existing statutes rather than entirely new proposals.

In their reports the two associations say that shortcomings of the present rule are insufficient flexibility, outmoded technical standards, inadequate provisions for equity investments and insufficient opportunities to finance unincorporated enterprises.

The background of the statutory restrictions on life company investments is explored, as are past amendments in

New York state and the revisions in other states. In addition a comparison is made between insurance companies and savings banks, and trustees who last year were authorized to invest in a greater range of securities.

The book outlines the advantages to policyholders that will result from liberalized investment provisions. For example, a table shows that an increase in the average yield earned by a life company of 1% would generally make possible a decrease of 10% in the net cost of straight life and an even greater decrease in the cost of endowments.

A change in the law would make it possible for a life company to counter the effect of the general decline in bond yields by placing new money in higher yield investments and by avoiding securities that are overpriced as a result of intense competition among investing institutions. The risks involved in the proposed changes are explored in a general appraisal with the conclusion being that "considering policyholders' interest in both safety and yield and recognizing that yields can compensate for risks, we must conclude that the proposed extension of the investment outlet would not jeopardize policyholders' financial security. The proposal taken as a whole would actually enhance such security if the new powers were exercised with reasonable care and prudence."

TECHNICAL OBSTACLES

The technical obstacles to sound investment and the corresponding proposals of the A.L.C.—L.I.A. are:

1. The requirement that an earnings coverage test, as applied to corporate securities, be fulfilled in the last year (or two as the case may be) prior to acquisition of such securities. The proposal is that this be modified so that satisfaction of the test in either of the last two years be sufficient, provided that other provisions of the existing test are also satisfied.

2. The exclusion of pre-incorporation

SHOW 1950 INSURANCE RESULTS

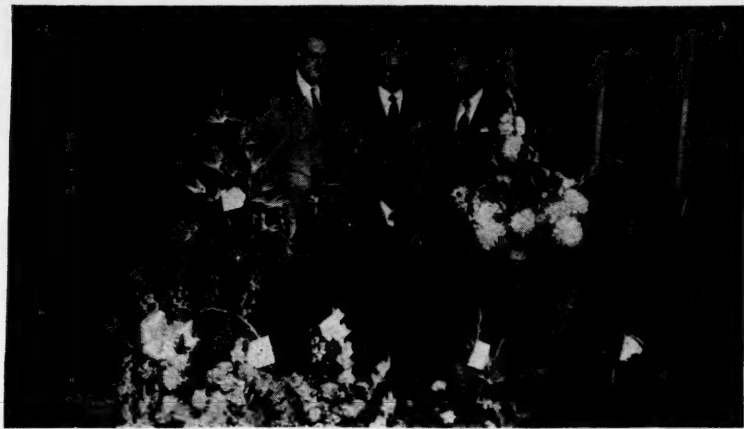
	New Bus. 1950	New Bus. 1949	1950 Inc. In Force	1949 Inc. In Force
Bankers Life, Iowa	204,088,807	153,425,881	117,130,811	66,187,081
Connecticut General	565,137,454	482,891,509	409,949,401	349,396,423
Guardian Life	106,548,439	79,379,515	66,684,252	43,615,220
Penn Mutual	285,127,397	234,501,732	149,875,540	111,618,143
Southwestern Life	115,186,624	108,786,968	67,578,223	64,435,879

Colonial's Chief Host at San Juan Dinner



At Caribe Hilton hotel, San Juan: Back row, President R. B. Evans of Colonial Life, Insurance Superintendent J. Font Saldana, R. A. Grey, Colonial's manager in Puerto Rico; L. P. Scheerer, Redlands, Cal.; Leslie Rodgers, vice-president Behn agency; Thomas Fiddler, San Juan lawyer; Harwood Hull, manager Station WAPA. Front row, Mmes. Hull, Evans, Font, and Scheerer.

Occidental's New Top Officers Felicitated



Horace W. Brower, center, and V. D. Jenkins, left, newly elected president and vice-chairman, respectively, of Occidental Life, are congratulated by Occidental's veteran general agent, Hoyt M. Leisure of Los Angeles, as they stand behind Mr. Brower's flower-banked desk at the home office.

Top Rankers



Solomon Huber, center, New York, won Mutual Benefit Life's new organization award. R. R. Stotz, right, Grand Rapids, and C. C. Smith, Washington, ranked 2 and 3.

Publications Mark Companies' Milestones



Left: The story of Berkshire Life's first 100 years is presented by the author, John Barker, left, vice-president and general counsel, to president H. L. Amber. Right, (seated) President R. H. Dobbs, Jr., and I. M. Sheffield, Jr., executive vice-president, and (standing) Codey Laird, 1st vice-president, and G. O. Sheffield, secretary, look over newspaper commemorating Life of Georgia's 60th anniversary.

At TV Premiere



H. C. Carden, left, of Mutual Benefit H&A with Navy Secretary Matthews, center, and Bob Considine at premier of Considine's TV series for MBH&A. Matthews was a speaker.



"I consider the \$10 per day hospitalization and \$300 surgical group insurance program which our company has added to our group life and pension programs as a most valuable addition to security provided for Pan-American agents. And all this at no cost to us!"

Francis J. Selman
President, Dynamo Club 1949-50

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(which is sweeping the country)
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**NATIONAL
LIFE'S**

**101st
year**

**OF NATIONAL
SERVICE**

The first year of National's second century recorded many accomplishments which enhanced the value of the Company to its policyholders.

New life insurance sold aggregated \$122,688,000, the second largest annual volume in the Company's history. Insurance in force totaled \$1,138,243,841, a new record. The favorable trend of mortality continues.

The Company earned 3.42% net before Federal income taxes and 3.37% net after Federal income taxes, compared with 3.38% in 1949 when the Company was liable for no Federal income tax. Action by Congress during 1950 imposed a retro-active levy of \$305,495 for 1949 and \$517,500 for 1950, a total of \$822,995 charged against 1950 operations.

No bond or preferred stock in the statement was in default. Bonds are shown at amortized values.

Market values of bonds exceeded book values by \$1,528,276. Preferred stocks are shown in the statement at market values which exceeded book values by \$329,174 and a reserve equal to this amount was carried in the liabilities.

Reserves for all types of contracts aggregated \$383,276,348 or \$22,414,661 more than one year earlier. Disability reserves were voluntarily strengthened \$200,000 and annuity reserves were voluntarily increased \$800,000 to assure their conservative maintenance. In no computation of reserves was an interest rate above 3% assumed.

A new and increased dividend scale has been adopted for 1951 and \$6,850,000 has been set aside for this purpose.

Surplus on December 31, 1950, aggregated \$21,922,196 reflecting an increase of \$1,805,055 after paying all expenses, claims and benefits, after increasing reserves in accordance with contracts, after voluntarily strengthening annuity and disability reserves, after setting up a reserve for the excess of market value of preferred stocks over book value, and after allocating an increased sum for dividend payments.

A detailed statement and security list will be sent upon request.

DEANE C. DAVIS, *President*

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Deane C. Davis—President
L. Douglas Meredith—Executive Vice-President and Chairman, Committee on Finance

101st ANNUAL STATEMENT OF FINANCIAL CONDITION—December 31, 1950

ASSETS

Cash on Hand and in Banks.....	\$ 3,600,952
Bonds:	
U. S. Gov't—Direct or Guaranteed..	37,113,603
State and Municipal—United States..	1,748,179
Public Utility.....	54,351,771
Dominion, Provincial—Canada.....	2,429,293
Industrial and Miscellaneous.....	13,927,783
	109,570,629
Preferred Stocks at Market Quotations..	10,015,110
First Mortgage Loans:	
City:	
Insured by Federal Housing Administration.....	181,647,940
Guaranteed in part by Veterans' Administration.....	42,801,159
Other.....	49,807,279
Farm.....	5,249,733
	279,506,111
Second Mortgage Loans fully guaranteed by Veterans' Administration.....	8,490,561
Real Estate at Cost or Less:	
Purchased for Investment.....	10,685,728
Under contract of sale.....	130,012
Home Office Building.....	1
	10,815,741
Loans on Company's Policies.....	15,079,021
Premiums Receivable.....	6,204,512
Accrued Interest and Rents.....	2,505,446
Other Assets.....	2,367,875
Trust Funds for taxes, etc., Mortgage Borrowers.....	4,663,923
TOTAL ADMITTED ASSETS.....	\$452,819,881

LIABILITIES

Policy Reserves:	
Insurance.....	\$265,964,273
Annuity.....	77,235,404
Policy Benefits left for future Income Payments.....	40,076,671
	383,276,348
Policy Claims:	
In Process of Settlement.....	1,492,145
Not reported (estimated).....	355,000
	1,847,145
Policyholders' Deposits:	
Dividends left at Interest.....	16,150,990
Future Premiums Discounted.....	11,511,579
	27,662,569
Provision for 1951 Dividends.....	6,850,000
Provision for Taxes Payable in 1951....	1,196,504
Agency and Investment Items in Process	408,716
Pension Reserves—Home Office and Agents.....	2,532,291
Other Liabilities.....	2,131,015
Trust Funds for taxes, etc., Mortgage Borrowers.....	4,663,923
Reserve for Market Fluctuation Preferred Stocks.....	329,174
Surplus to Policyholders.....	21,922,196
TOTAL LIABILITIES AND RESERVES.....	\$452,819,881

Bonds and Stocks are included at amortized or other values as prescribed by the National Association of Insurance Commissioners. Securities carried at \$250,125 in the above statement are deposited with four States as required by law.

NATIONAL LIFE Insurance Company, Montpelier VERMONT